The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

Struggle Between Fascism and United-Front Responsible for Sian

ARTICLES IN THIS ISSUE

Future of Chang Hsueh-liang Uncertain; General Chiang Taking Rest at Fenghua

Shanghai Abolishes Publicity

Wisdom of Nanking's Narcotic Execution Policy

Sino-Philippine Interest In the Question of Naval Accord in the Pacific

Struggle Between Fascism and United-Front Which Precipitated the Sian Revolt

Daily Record of Stirring Events in China in 1936

Japan's Warlords Discuss North China Policies—After Sian . . . . . By C. Y. W. Meng

Tung Oil Industry Faces Foreign Threat . . . By William Lee

Poisoning the Fukien People . . . . . By Ma Leung

My Hopes for 1937 . . . . . By T. S. Young

SATURDAY, JANUARY 9, 1937 VOLUME 79, NUMBER 6

THIRTY CENTS A COPY
(In Shanghai)
FORTY CENTS ELSEWHERE

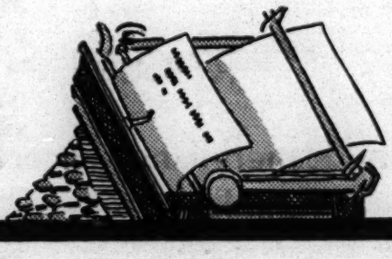
SHANGHAI POWER COMPANY

POOR LIGHT

will slow up your office routine.

Working in dull light causes eye-strain—which reacts on the entire nervous system, resulting in tiredness, headaches, and irritability.

CHECK THE LIGHTS IN YOUR OFFICE TODAY



LIGHTING REPRESENTATIVES at our Nanking Road office will be glad to advise customers on their lighting problems, without cost or obligation.

For Fast and Efficient Radio Telegraph Service to all Parts of the World Send

RADIOGRAMS

"Via RCA"

RADIO IS THE QUICKEST AND MOST RELIABLE MEDIUM FOR ALL TELEGRAPHIC COMMUNICATIONS. IT HAS BROUGHT ABOUT RATE REDUCTIONS AND INAUGURATED NEW CLASSES OF SERVICE TO MANY COUNTRIES. . . .

In CHINA file your messages "via CGRA—RCA"

(Chinese Government Radio Administration
R.C.A. Communications, Inc.)

R.C.A. Communications, Inc.

(A Radio Corporation of America Service)

OFFICE :— 201-202 Sassoon House, Shanghai TEL. NO. 19251

Tientsin: 65 Consular Road Tel: 31430
Hankow: N. K. K. Bldg. 1 Bund Tel: 21773
Hongkong: Dina House Tel: 30692

If you would smoke the Best,

SMOKE

'My Dear'

CIGARETTES

美麗牌香烟 美麗牌香烟

A Leading Product of

HWA CHING TOBACCO COMPANY, LIMITED

476 Ningpo Road, Shanghai

密勒氏評論報
The China Weekly REVIEW

Formerly Millard's Review

中華郵政特准掛號立券之報紙

Registered at the Chinese Post Office as a Newspaper for transmission with special marks privileges in China.

Volume 79 | Shanghai, China, Saturday, January 9, 1937 | Number 6

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

Cable Address "REVIEWING SHANGHAI"

PUBLISHED AT NO. 160 AVENUE EDWARD VII, SHANGHAI, CHINA, BY MILLARD PUBLISHING COMPANY, INCORPORATED BY THE LAWS OF THE STATE OF DELAWARE, UNITED STATES OF AMERICA.

J. B. POWELL, Editor and Publisher; GEO. W. MISSEMER Asst. Editor; TRYPHON V. KU, Advertising Dept.; F. K. CHAO, Business Dept.

YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES EIGHT DOLLARS U.S. CURRENCY. REMITTANCES FROM OTHER COUNTRIES THAN CHINA AND THE U.S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

Contents

Editorial Paragraphs

Shanghai Abolishes Publicity..... 179
Wisdom of Nanking's Narcotic Execution Policy 180
Sino-Philippine Interest in the Question of Naval Accord in the Pacific... 182
Struggle Between Fascism and United-Front Which Precipitated the Sian Revolt..... 185

Special Articles

Daily Record of Stirring Events in China in 1936 189
Future of Chang Hsueh-liang Uncertain; Gen. Chiang Taking Rest at Fenghua 193
Japan's Warlords Discuss North China Policies—After Sian .....By C. Y. W. Meng 198
Tung Oil Industry Faces Foreign Threat..... .....By William Lee 200
Poisoning the Fukien People.....By Ma Leung 202
Who's Who in China 207
Men and Events 208
New Books of Interest in the Far East..... 210
My Hopes for 1937.....By T. S. Young 212

CONTENTS OF PREVIOUS ISSUES OF THE CHINA WEEKLY REVIEW MAY BE FOUND IN THE "INTERNATIONAL INDEX TO PERIODICALS," COPIES OF WHICH ARE ON FILE IN MOST STANDARD LIBRARIES.

COMMUNICATIONS PERTAINING TO SUBSCRIPTIONS OR ADVERTISING IN CHINA OR ABROAD SHOULD BE ADDRESSED TO THE CHINA WEEKLY REVIEW AT 160 AVENUE EDWARD VII, SHANGHAI, CHINA. TELEPHONE 14741. CABLE ADDRESS "REVIEWING SHANGHAI."

SHANGHAI ABOLISHES PUBLICITY

ASIDE from the annual meetings of tax-payers of the International Settlement, usually cut and dried affairs, official business of this important municipality is conducted in secret. Members of the Municipal Council, chief administrative body of the Settlement, are bound not to disclose matters discussed in meetings and no reporter of a local newspaper has ever attended a meeting of the Council since the establishment of that curious organ of government about three-quarters of a century ago. The Council does issue a so-called *Municipal Gazette*, probably the dullest official journal in the world, which contains brief reports usually starting out, "Notice is hereby given, etc.," or "I have the honor to convey, etc." On the back page always appears a list of "Tenders Invited," consisting of lists of things the Council desires to buy ranging from picks and shovels to Sikh Rations, this particular item not referring to hospital supplies but food for the Indian members of the police force. Everybody realizes, of course, that the publication of the "Tenders Invited" usually doesn't "mean anything" because the big contracts always go to members of the small group or clique which controls the local "international" government.

Several years ago there was a local press rebellion against the Council's policy of secrecy, so in order to head-off a general demand for opening up meetings of the Council to the local foreign and Chinese newspapers there was created a "Press Information Officer." The first appointee, G. Burton Sayer was of British nationality, but the Japanese immediately raised a row and also had one of their nationality appointed in the person of N. Tatsuoka. It apparently had never occurred to anyone that it might be advisable have a Chinese connected with the office, in view of the fact that the Chinese make up about 99 percent of the population and pay most of the taxes for the upkeep of the local government. However, a Chinese newspaperman, P. Y. Chien, was finally appointed and it also was decided to

publish the *Municipal Gazette* in the Chinese language. The printing of the *Gazette*, it might be mentioned in passing, was always a private monopoly of the *North-China Daily News*, popularly known as the official British organ, and until comparatively recent years it was impossible for any other newspaper—American, Chinese, Japanese or whatnot—to obtain advance proofs of the *Gazette*.

Prior to the creation of the Press Information Office it had been necessary for the newspapers, other than the *North-China Daily News*, to use various circuitous methods to find out what was going on in the municipal government. The method usually followed was to "subsidize" or "cultivate" some municipal employe who tipped off the particular paper on important news originating in municipal circles.

Therefore everybody was happy when the Council finally complied with the universal demand and created a publicity department, but, as so often happens, it was soon discovered that the "press information office," while an improvement over the old system of complete secrecy still left much to be desired. The reports put out by the publicity office did not disclose the actual discussions at meetings of the Council, but merely contained reports of what the Chairman of the Council deemed advisable for the public to know. Many thoughtful persons finally came to regard the information office as a "thought concealment bureau" which was worse than the previous system because the local newspapers, instead of trying to dig into municipal affairs as they had done previously, merely published the official reports.

Thus was the Council able to circumvent a universal demand for publicity. But the so-called publicity office cost considerable money, nearly three times that originally estimated due to the necessity of appointing Japanese and Chinese assistants to the British chairman of the department. Therefore, as a result of the current financial stringency, the Council recently decided to end the publicity farce by abolishing the Press Information Office. The official *Gazette* published the following "thanks" item in its issue of Jan. 1:

> "On behalf of the Municipal Council, Mr. H. E. Arnhold, Chairman, has addressed a latter to Mr. G. Burton Sayer, Press Information Officer, thanking him and his colleagues (Mr. N. Tatsuoka, Japanese Press Information Officer, and Mr. P. Y. Chien, Chinese Press Information Officer), for the work they have done in the Press Information Office and wishing them all every success and happiness in their future careers."

It also should be mentioned that the Anglo-Japanese-Chinese "press information officers," otherwise Messrs. Sayer, Tatsuoka and Chien, didn't come out so badly because the Council in accordance with custom liquidated their unexpired contracts and they also received retirement benefits of a lucrative nature, a pernicious system which would be regarded as political racketeering in other parts of the world, but which is accepted here as the normal state of affairs.

But the most important element in the situation is that the Council has "gone back to complete secrecy" at a time when undercover discussions are proceeding on the all-important matter of recent Japanese demands (or ultimatums) for control of municipal affairs or a separate concession!

WISDOM OF NANKING'S NARCOTIC EXECUTION POLICY

OPPOSITION has been expressed in many Chinese and foreign quarters to the Government's drastic narcotic suppression policy, particularly to that section of the provisional law promulgated in September providing capital punishment for narcotic dealers and addicts after January 1, 1937.

Leading newspapers editorially denounced the harsh penalty, many petitions sent to Nanking by Chinese chambers of commerce, press associations, swastika societies and other organizations urged postponement of the day fixed for enforcement of the law and other steps were taken to induce the Government to modify the statute or postpone the date of it effectiveness.

Some foreigners complained that so many laws are passed by the Legislative Yuan and so many regulations promulgated by various national, provincial and district authorities which could never be enforced that possibly the same attitude will be taken in the matter of executions for violation of the narcotic laws.

Most objections are based on two points:

Firstly, that capital punishment for offenders is "cruel and unusual punishment", far exceeding that imposed by any other government.

Secondly, that sufficient notice has not been given to addicts, dealers and others involved in the traffic.

Viewing the background of China's century-long fight to rid itself of the opium and narcotic evil and considering all the facts of the present situation, it is quite unlikely that the Government will grant further delays or modification of the program. Every month, every day, that the present situation is tolerated the narcotic evil becomes more deeply ingrained in the Chinese people and the narcotic traffickers become better organized. Whereas the use of opium has definitely declined during the past two decades, the use of heroin and other opium derivatives has vastly increased. The Chinese Government's drive against opium became so successful that untold numbers of Chinese were driven to more deadly drugs which are cheaper, more effective and less easy to detect.

In no other country in the world has the narcotic habit become so widespread as in China,

unless one cares to mention the so-called "Manchukuo" where the puppet Premier Chang Ching-hui admits that *most* of the people are addicted to the use of opium and other narcotics purchased through the Japanese-operated Government monopoly bureau.

Little doubt remains in the minds of most people that opium and heroin are instruments of Japanese policy in China. Therefore they must be fought as sedulosuly as any other Japanese aggression or policy aimed against China. As China does not have the power to reach the foreign (chiefly Japanese) producer and wholesaler of drugs, then the only course open is to apply most drastic penalties to those Chinese who intrigue with the Japanese in the prostitution of the Chinese race.

For years the Chinese Government has fought the traffic and it is shameful to record that China has not always had the support of many nations who profess greatest friendship for this country. During the past year the campaign against narcotics has been intensified so that there are few sections of China where the word has not spread. Dealers and addicts in all the coastal provinces and other enlightened sections of China have been adequately warned of the new law. Publicity campaigns have reached into every corner of city and village life. Even the lowliest beggar-addict, if he cannot read, at least can understand the graphic pictures posted in public places everywhere. Word of the law has not penetrated a few very backward sections but it is expected that these sections will also be backward about enforcing capital punishment.

Narcotic users who wish to rid themselves of the habit have had every opportunity to do so. Every possible consideration has been give them. They have received adequate notice. Free hospitals and clinics have been established so that lack of funds is no excuse. All they must do is voluntarily submit to the proper authorities or agencies for free treatment and cure. The new law is lenient enough as it provides that addicts who registered with the authorities prior to January 1 are allowed additional time to take treatment. Every facility has been afforded them. To say that the treatment given them is inadequate and does not really "cure" is pure nonsense. The great majority who take the treatment are actually "cured" and no longer use the drugs, but there is a large number who return to the habit because they have not rid themselves of old evil association and weaknesses. They are the hopeless.

But while most persons approve of drastic treatment, even the death penalty for dealers in habit-forming drugs, opinion is not unanimous on the questions of enforcing death penalty upon addicts, particularly recidivists. Some argue that hopeless addicts who have returned to the habit after administration of the cure, or who refuse to take the cure, are of no further value to society and should be destroyed as society eliminates animals afflicted by infectuous and incurable diseases. Readers of home periodicals are aware of the argument now proceeding in the Occident over the question of giving physicians the right, under proper legal safeguards, to remove by humanitarian means children who are hopelessly deformed and likely to become a burden upon their families and the state, or patients afflicted by incurable ailments. Then there is the further controversial question of emasculating criminals. But since confirmed users of narcotics constantly attempt to induce others to become addicts it has been argued that they should receive no further consideration than the criminally degenerate or those convicted of capital crimes. Also, it has been argued that beggars, most of whom are dope-addicts or afflicted with incurable diseases, would be included among those marked for the supreme penalty. It is claimed that they are useless to society and worse, drag down the whole scale of Chinese moral and physical well being. Where attempts have been made at reclaiming this class it is alleged the results have not been satisfactory; hence it would be better to destroy them and eliminate the burden upon society. The hopeless addicts are the ones that the Government apparently has marked for the supreme penalty first, but it is likely that the regulations may be expanded to include users later. However, it is not expected that the Government is going out and search for bankers, business men, merchants, newspaper men, scoutmasters, clerks, office workers and such people who might use narcotics, and shoot them out of hand.

The argument may be put forth that enforcement of the new regulation should start from the top and not with the poor, miserable, unfortunate derelicts at the bottom. On the other hand, there is still some hope for those at the top, those who have some business or honorable employment. If they see that the law is being drastically enforced, that thousands of addicts are being punished and that this movement is surely creeping towards them, it is certain they will really get worried and stop the habit.

Most foreigners do not realize the extent of the heroin evil in China. They hear a great deal about opium but not so much about heroin, white powder, red pills, morphine, *K'uai Shang K'wai* and other opium derivatives which have become a greater menace than opium ever was. The new regulation does not apply to opium smokers, but only to users of other narcotic drugs.

It is to be hoped that the authorities of the various foreign settlement and concessions in China will cooperate with the Chnese authorities in enforcing the new laws.

Sino-Philippine Interest in the Question of Naval Accord in the Pacific

IT was no coincidence that the new Philippine Commonwealth began training the first unit of its new army of 400,000 men on Jan. 1, the date of expiration of two important treaties concerning naval limitation in the area of the Pacific. The two treaties were the general Washington Naval Treaty of 1922 and the London Naval Treaty of 1930. Both pertained to limitation of the sea fighting forces of America, Britain and Japan, but closely concerned with the technical provisions dealing with limitation of the tonnage of ships and the number and sizes of guns was another more important agreement referring to fortifications in the western Pacific. The chief Powers, America, Britain, Japan, etc., agreed to discontinue work on fortification in the area of the western Pacific. This included American fortifications at Guam and the Philippines but not including Hawaii; British fortifications at Hongkong and elsewhere on the Asiatic coast, excepting Singapore; Japanese fortifications, excepting those on the islands of Japan proper and Korea. Few persons aside from naval officers understand the technical details and tables which appear in the naval limitation treaties signed at Washington in 1922 by the representatives of Britain, United States, France, Italy and Japan, but the terms may be expressed in the figures "5-5-3" meaning that America and Britain accepted parity as represented in the figure "5" while Japan accepted secondary position with a naval strength of "3." Neither Russia nor Germany were represented at the Washington Conference.

Gen. Paulino Santos, Commander-in-Chief of the new army of the Philippines, scheduled to have a strength of a half million men by 1945 when the United States plans to withdraw from the Islands.

The actual naval strengths of the various powers on August 31, of last year were:

Great Britain	1,366,200	tons.
United States	1,300,425	„
Japan	822,142	„
France	711,817	„
Italy	517,475	„
Soviet Union	247,600	„
Germany	238,415	„

China's interest in the expiration of these naval agreements signed by Powers possessing interests in the Pacific is due to the fact that China also was represented at the Washington Conference and participated in discussion leading to the adoption of the Nine-Power Treaty which was linked with the agreements to limit arms. In other words the decision of the Powers to compose their differences in China and agree upon a program guaranteeing the sovereignty, independence, territorial and administrative integrity of China provided the foundation upon which the arms limitation agreements were based.

Japan's violation of the Nine-Power Treaty by invading and seizing the Marchurian provinces in 1931 thus paved the way for the collapse of all the other agreements, including the arms limitation pacts and the resulting chaotic "treaty-less" situation now prevailing. Whatever Japan's motives may have been for the original treaty violation, her resulting actions have not improved her relations with China or other nations having interests in this part of the world. Present deve-

lopments point toward early war involving China and Japan first; later Russia, United States, Britain and other nations adversely affected by Japan's military expansionist policies.

Turning to the Philippines we find that new Commonwealth actively engaged in the development of a new army designed to prevent the islands from being overrun by Imperial Japan. Not satisfied with her aggression on the continent, the Japanese also announced a "southward expansion" program which caused the Filipinos to adopt a policy of militarization the like of which probably has never been attempted in any other country in peace times. The program is designed to provide the new Philippine Republic with a trained and armed personnel of at least a half million men within the brief period of ten years.

Forces in the Philippines at present are the Constabulary, a group of 7,000 men largely trained under the supervision of American Army officers. They represent the military police of the Islands, and are called upon frequently in cases where disturbances tax too greatly the strength of the ordinary civil authorities. In addition there is a force known as the Philippine Scouts, one of the best trained native groups in the world. This group, whose members are paid by the American Army number 6,000 men and wear the same uniform. The home American forces in the Philippines at the present time number 5,000 including an aviation branch.

On the first of January the first group of conscripts for the new Philippine Army was called up consisting of 40,000 men between the ages of 20 and 50. These men are being intensively trained in all branches of military science for a period of five and a half months. In July the next group will be called. Under this system, the Philippine authorities expect to have a military force of between 400,000 and 500,000 men who, in the event of war will be thoroughly trained and available for defense purposes. Everywhere barracks are being built for the use of these men, and during the past year, preparatory to the inauguration of the Philippine Army, certain officers and reservists from the Constabulary have been trained to take over their new duties.

Last year President Mannel L. Quezon applied to the President of the United States for the loan of a military mission, so President Roosevelt with the consent of Congress sent General Douglas MacArthur to the Philippines. General MacArthur and his staff are entrusted with the work of technical assistants to the army of the Philippine Commonwealth. He is paid by the American Government, and was given the rank of Field Marshal in the Philippine Army. It is planned that the Philippine Constabulary and the Scouts will be merged to form a standing army of 15,000 to 19,000 men at the time when the Islands achieve final independence. In the meantime their members will act as officers and trainers for the conscripted army. This standing army will be highly mechanized. At the present time, there is a highly developed system of roads throughout the Islands and work on additional highways is being pushed. Aviation is not being neglected, and preparations are being made to assemble airplanes in the Islands.

"ISOLATION"

Drawn by Fred Ellis

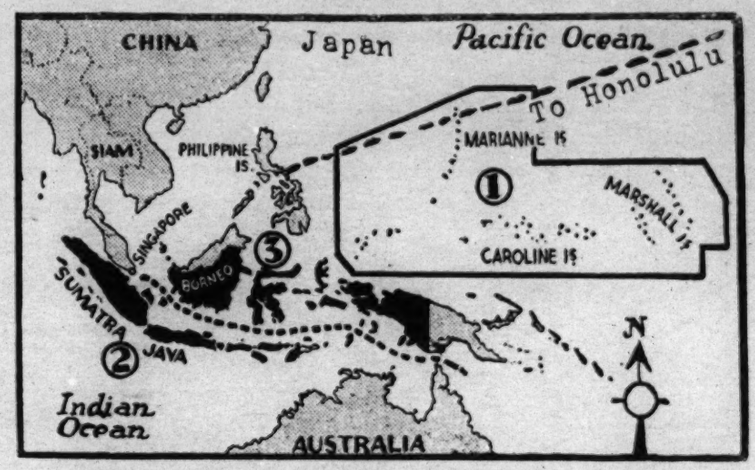
This cartoon, reproduced from the magazine *China Today*, published in New York, illustrates Japan's isolated position which the military clique of the Island Empire recently tried to rectify by forming an alliance with Germany which nation harbors similar expansionist ambitions in Europe and elsewhere.

An interesting feature of the new Army, which will be commanded by General Paulino Santos, is that the Philippine authorities plan to make the conscripted groups as well as the standing army self-supporting. General Santos has been since 1930 Director of Penal Institutions, and has been exceedingly successful in prison rehabilitation work. He has established prison farms throughout the Islands, where prisoners are taught the rudiments of agriculture and all varieties of trades. Upon their release they are absorbed into the economic life of the Islands. General Santos, who was the son of a poor tenant farmer and who rose to his position through sheer ability, plans to

put into operation the same system in the new Army. As each prison farm was a self-supporting unit, producing all its own food supply and other necessities of life, so General Santos plans to make each military barracks an independent unit on the same basis. The military plans of the Philippine Government have the definite backing of the people, the Filipinos taking to military training "like ducks to water." The Spaniards were never able to achieve complete dominion over the Islands and were on the point of defeat at the hands of Gen. Aguinaldo when the Americans appeared in 1898 and defeated the Spanish fleet in Manila Bay. Owing to a misunderstanding which developed with the American authorities the Filipinos started a new rebellion which required three years for the American troops to suppress and in truth the pacification of the people and their cooperation in the new regime was not accomplished until the United States Government had declared its intentions to ultimately turn the Islands over to the Filipinos.

In regard to the international positon of the Islands, the Filipinos generally realize their dangerous position. But they are determined to stand on their own feet. In the Tydings-McDuffey Law, passed by the U. S. Congress which granted the Philippines independence within ten years, there is an article dealing with a proposed pact which would have the effect of rendering the Philippines "neutral." This proposed pact, however is not favored by the Filipinos. They prefer taking their chances and point to the failure of every non-aggression pact in recent years, as well as the breakdown of the machinery of the League Nine-Power Treaty, Kellogg-Briand pact, etc. In fact President Quezon declared—"God protect us from any international agreement!"

In regard to naval protection the Philippine Government is planning to build a mosquito fleet similar to that developed by Italy since the world War. Speculation is naturally rife concerning the fate of American naval bases in the Philippines. According to the Tydings-McDuffey Act, two years after independence is granted these bases are to be the subject of negotiations between the American and Philippine Governments looking toward the turning over of present establishments to the Filipinos. Since the Philippines are exceedingly valuable possessions, being worth approximately US$6,000,000,000.00, according to present estimates, it is important to the United States that this actual and potential wealth should not pass into the hands of any nation which might become an economic rival or military enemy of the U. S. A. Until the United States withdraws every soldiers in the Islands remains subject to American Army orders. The United States will thus have a larger army at her disposal in the Philippines than she possesses at home. However, the United States is taking very definite steps to withdraw from the Islands, steps whose concrete results are evident. The new army will be paid by the Philippine Government, and will cost at the beginning about US$8,000,000.00 per year. This is the approximate cost of the Constabulary at the present time. In line with the tendency in the Philippines it is interesting to note that the British Government has asked Hongkong to contribute H$5,000,000.00 toward the defense of the Colony, and that a program of defense has been put into effect in the Netherlands East Indies by the home Dutch Government.



This map, reproduced from the *Daily News*, New York, shows how Japan and Germany, in accordance with the terms of their new military alliance, are planning the division of Far Eastern territories now belonging to other nations in this part of the world. The dark line drawn through the Netherlands Indies allegedly indicates a division of "spheres" whereby Japan will monopolize the trade to the north and Germany on the south.

More Germans and Italians Aid Rebels in Spain

AN intensive drive on Madrid launched by the insurgents, starting Jan. 3, resulted in the formation of a new line sixteen miles long, running north-west of the capital beside the main road to Corunna and then branching west through Majadahonda to Valde Morillo. Government troops, hemmed in by the insurgents, were compelled either to retire or meet attacks from both sides.

El Escorial is now practically surrounded on three sides by rebel forces, and it is not likely that it can withstand the bitter bombardment to which it is being subjected very much longer, a *Havas* correspondent with the insurgent forces reported Jan. 5.

German battalions, advancing in full marching order, formed the bulk of insurgent forces which took part Jan. 2 in a violent drive launched by Nationalists in the Boadilla del Monte sector, reports received in Madrid from the front stated.

Over 100 civilians, including many women, were killed and at least twice that number were injured when five insurgent bombers flew over the center of the Spanish capital at noon Jan. 4 and subjected the area

(*Continued on page 214*)

Struggle Between Fascism and United-Front Which Precipitated the Sian Revolt

TEN years ago when the Chinese nationalist movement began to gather force at Canton in preparation for the drive northward, the *North China Daily News*, then as today generally regarded as the official British organ in China, published a series of articles attacking the movement which were labeled "Red Wave on the Yangtsze." The articles were written by the late Putnam Weale, able British journalist, who was later assassinated in Tientsin.

The *N. C. D. N.* followed up the Weale articles with further attacks on the Nationalist movement which was designated as wholly destructive and a second Boxer rebellion. One entire edition of the magazine section was devoted to the subject consisting almost entirely of reports of banditry and alleged acts of violence resulting directly or indirectly from the nationalist revolutionary movement. Thousands of copies of this special edition of the paper were purchased by local organizations and mailed to home business offices and connections abroad with the object of influencing Occidental public and official opinion against a Chinese revolutionary movement which Shanghai had been led to believe was entirely bad and destructive of the established order.

The crusade, led by the *N. C. D. N.* undoubtedly had considerable to do in widening the split in the ranks of the nationalist movement, the leftists branching off to Hankow and the rightists, led by Gen. Chiang Kai-shek, going to Nanking where the Nationalist Government of China was organized and a new Capital city established. The radicalist Hankow administration, with its Russian communist advisers, soon collapsed and passed off the political stage. Some of the leftist generals and their followers withdrew southward and established themselves in the mountains of southern Kiangsi where they organized the so-called "Soviet Government of China."

After many years of almost continuous warfare and the expenditure of vast sums of money, Gen. Chiang Kai-shek defeated the red bands and compelled the leaders and their remnant forces to flee to the far west and northwest. In recent months these red groups succeeded in establishing themselves in Shensi and Kansu provinces where they harassed the forces of the "Young Marshal" Chang Hsueh-liang, late controller of the Manchurian provinces. Marshal Chang following the Japanese occupation of Manchuria had been compelled to evacuate Peiping, Tientsin and

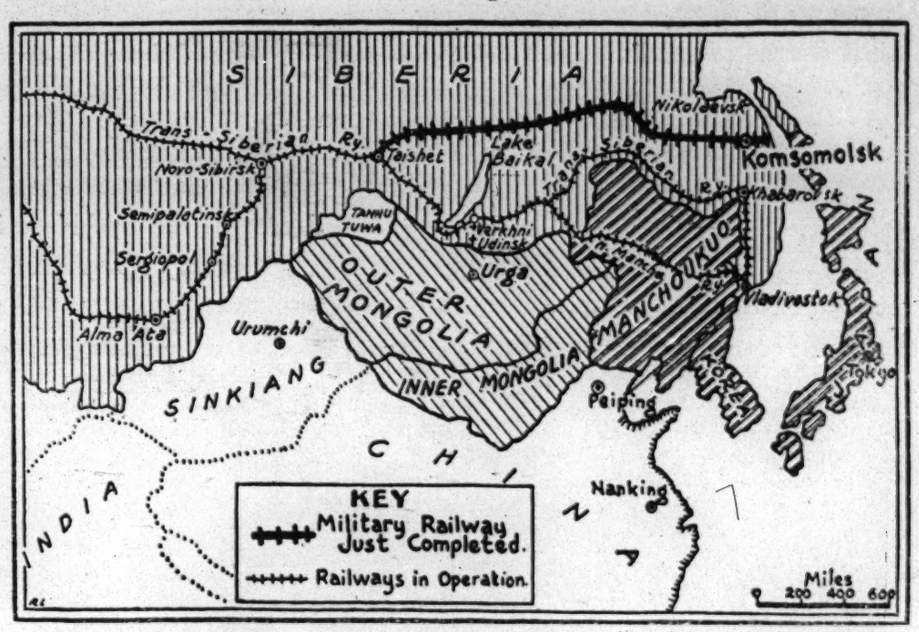
JAPAN—GERMAN ALLIANCE

Prague "Die Volks-Illustrierte"

The words in German translate: "Then it is understood that whoever is not with us is a Communist."

Hankow in rapid succession due to Japanes pressure. Finally he had been sent to Sian, capital of Shensi where he was given the title of Commander of the Communist-Suppression forces in the Northwest.

Since the "Young Marshal's" retinue, including staff and personal associates, rank and file of troops and whatnot were all Manchurians, that is, natives of the northeastern provinces, they constituted the genuine *intransigentists* of China. Added to the patriotic urge for the recovery of lost territory which inspires most intelligent Chinese, the Manchurians under Chang Hsueh-liang possessed the further incentive of a desire to return to their homes and their families still residing in the northeastern provinces, although most persons of means had been compelled to evacuate that area since the Japanese occupation and creation of the puppet state of Manchukuo. Then on top of this situation in Sian were superimposed several thousands Chinese students who also were sons and daughters of residents of the Manchuran provinces. These students had previously been enrolled in the National Northeastern University in Mukden or in middle-schools and other institutions of higher education elsewhere in the northeast but had been forced to flee to Peiping when the Japanese took over and closed all the schools in Manchuria in the fall of 1931. With several members of the faculty who had followed them to Peiping and with the help of Gen. Chang Hsueh-liang, the National Northeastern University was reopened in rented makeshift quarters in Peiping. But last winter and spring when the Japanese increased their military establishment in North China they forced most of the former northeastern students to move again—to Sian, capital of Shensi where the "Young Marshal" had his headquarters.



Russia builds another strategic railway to the Pacific. The new railway branches off from the Trans-Siberian west of Lake Baikal and then runs around the north end of the lake and thence to the East tapping the Amur river at the new town of Komsomolsk about midway between Khabarovsk and the Sea. It is said to pass through rich coal and iron regions.

Last summer when the students and former Manchurians staged a patriotic demonstration in Sian most of the banners which were unfurled and carried in the parade contained pictures of the familiar mountains of Manchuria with inscriptions reading, "Back to Tungpei" (Manchuria).

Thus was the stage set for the dramatic devolpments of late December involving the kidnapping of Generalissimo Chiang Kai-shek, highest military and political official in the land and the possibly even more sensational consummation of an "alliance" between Chinese red armies and the forces of Chang Hsueh-liang.

While there has been no official statement from any quarter on the issue of incorporation of communist troops into the former North-eastern army, there have been indications that such a development is taking place.

This brings us to the role of the *North China Daily News*, referred to in the opening paragraphs of this discussion as the paper which took the lead in breaking up the combination of communists and Kuomintang in 1926-1927!

Imagine the astonishment of subscribers of that staid and usually conservative British journal when they opened their papers and discovered "contributed" feature articles and editorials advocating a reconciliation between the "right-wing" Nanking Government and the Communist forces in Shensi and Kansu. As the *N. C. D. N.* had largely been responsible for fomenting, if not instigating, the split in the ranks of the Kuomintang in 1926-1927, its recent advocacy of a renewal of the alliance between the now thoroughly "rightist" Kuomintang and the Chinese reds in Shensi-Kansu was the subject of widespread speculation. Are the articles in the official British organ a reflection of British opposition to the recently concluded Japanese-German military alliance?

In its original article bearing on the subject, published on December 28, it was stated that Gen. Chiang Kai-shek's second arrival in Sian coincided with considerable excitement regarding the recently concluded Japan-German "anti-communist" pact and allegations that Nanking had been secretly informed beforehand and subjected to considerable pressure by both Japan and Germany (and later Italy) to adhere to the agreement. Referring to the attitude of the "Young Marshal"

the *N. C. D. N.* said, "Saddened by the waste of Chinese money, Chinese lives and Chinese property in civil wars, he and those with him refused to regard the perpetual pursut of so-called bandits who were still Chinese despite their views, when one-sixth of Chinese territory had been allowed to fall into foreign hands . . . They alluded bitterly to the fact the first sight vouchsafed to Shensi of the airplanes enthusiastically subscribed for by the people of China was in the guise of messengers of death sent against Chinese . . . Marshal Chang Hsueh-liang was convinced that his argument had not been in vain although Gen. Chiang Kai-shek made it perfectly clear that the will of the Central Government in matters of national policy must prevail . . . "

In a further extended discussion in its issue of Jan. 4th the *N. C. D. N.* went still deeper into the matter of compromises allegedly made at Sianfu necessitating the reorganization of the National Government in the direction of a more democratic administration and elimination of previously existing tendencies toward military dictatorships similar to set-ups in Japan, Germany and Italy. The anonymous writer of the article complimented Gen. Chiang Kai-shek for his genius in establishing the foundations of the National Government so firmly that Nanking was able to withstand the shock of the Sian revolt. Compliment was also paid to the financial policies of Dr. H. H. Kung which had enabled the central treasury and financial organs to also withstand the repercussions of the revolt . . . "but the essence of Kuomintang theory is subordination of the country to the civil administration and particularly the control and audit of military expenditures by the civil authorities."

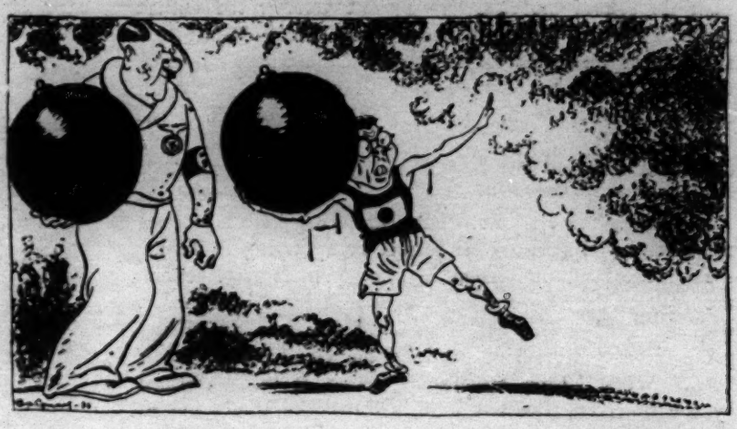
To quote, further "The lesson of Sian demands attention to the possibility of releasing the Kuomintang from the shackles necessarily imposed upon it, partly by its own defects and partly by the exigencies of successive crises . . . The declared disabilities, under which successive challengers of the policy of the Central Government have pressed into direct militarist action, are alleged to be the want of facilities for presenting their views through the channels prescribed by the Kuomintang system. If, for example, the "Young Marshal" had really been misled by reports that his troops had not received their pay, he could easily have satisfied himself on that point by reference to the appropriate organ, which would have been able to refer to the audit authorities. It is pointed out, however, that military expenditure is not subject to audit, and no such opportunity was available."

There then followed a general argument in support of the Finance Ministry's demand for control and audit of military appropriations: "If the Central Government were able to effect this reform, it would at one stroke improve the solidarity of the country, for it would help General Chiang Kai-shek to obtain relief from an intolerable burden and so to develop his genius to greater advantage of the administration as a whole, nor would he any longer be the target for invidious criticism."

It was also suggested that much of the trouble leading up to the Sian incident was due to Nanking's "rigid suppression of public opinion by its arbitrary treatment if the press . . . It now suffers from the disabilities which it once imposed on its own account against the principles it was created to defend. The release of responsible press criticism would be a real benefit to the Government and to the people, and would prevent the accumulation of unvoiced grievances and their consequent eventual exposure by some desperate and ill-judged demonstration such as was recently witnessed at Sian."

Finally with reference to the element of democracy and the Communist problem, the writer of the article declared that Nanking probably has learned considerable from the world's recent experiments in abandonment of democratic machinery; and in consequence will be less reluctant than in the past to conclude that the dangers of trusting to a regime, which ever stands under the shadow of reversal by some swiftly managed *coup-de-etat*, are graver than those that are to be found in the slow moving apparatus of an organized, if comparatively young, democratic institution.

A GERMAN TRAINER FOR THE JAPANESE "SPORTSMAN"



—*Izvestia*

Regarding the Communist situation it was stated that, while many of them are simply bandits with whom the provincial forces should be able to cope by combined police pressure with remedial action for the economic improvement of rural condtions, this policy could not be applied to the main bodies of so-called communists, now in Shensi and Kansu. These groups, it was stated, are now believed to be ready to come to some agreement,. "The Government cannot for a moment accept the suggestion that is should allow Communism to receive its formal sanction in any part of the territory for which it is responsible. It cannot, however, ignore the deep-rooted conviction that China's manpower should not be dissipated in military operations against men who, whatever their misdeeds, are Chinese citizens and by no means wanting in patriotism or the communal spirit . . . With this unity the strengthening of the national defences could proceed on lines which would not necessarily precipitate the danger of a foreign war, but rather to establish the readiness of China to resist aggression that peace might be insured in the resultant value of China's friendship to her neighbors on whatever frontier."

Reverting again to developments in Sian, and the struggle which had been taking place for many months among the intellectuals for and against the so-called "United Front," a correspondent in Peiping stated that when the patriotic movement in China revived with the Student Movement in December, 1935, all the Tungpei (Northeastern) people began to take hope that they might again see their native land in Manchuria, and the Tungpei soldiers and young officers were particularly stimulated by this movement, and incensed at its suppression. This anti-Japanese feeling increased in intensity and by June the entire army had no thoughts but preparing to "fight back to their old home." The soldiers simply refused to fight in the civil war against the Reds, by whom them were badly defeated. Two whole divisions deserted to the Reds largely because they believed that they meant to begin a real anti-Japanese campaign. This created a serious situation in the army and the "Young Marshal" began a long series of appeals to Nanking to give them assurances of fighting Japan, so as to keep the

Tungpei Army under discipline. The "Young Marshal" made two special trips to Nanking to urge a policy of real resistance. The first stirrings of rebellion began in March, 1936, when Nanking sent ten divisions to Shansi to block the march of the Red Army. This made the Tungpei people believe in the anti-Japanese propaganda of the Reds. On September 18 the Tungpei people in Sianfu began an active anti-Japanese crusade, and on October 4 organized the Tungpei People's National Salvation Association in Sianfu along the same lines as the other United Front organizations throughout the country. By late October the United Front movement was very strong, and Chang Hsueh-liang sent urgent telegrams to Nanking on the situation, asking Gen. Chiang to come to Sian to explain his policy for national defense to the wavering Tungpei officers. The Generalissimo flew to Sian and the Young Marshal again urged the cessation of civil war and immediate resistance to Japan.

All during this time a struggle had been going on between the Fascists and Leftists, the former busily trying to destroy the United Front movement in every possible way. About the 10th of September the Tungpei men came into conflict with the Gendarmes, when two student delegates from Tungpei University were kidnapped by the Gendarmes in their hotel. When Chang Hsueh-liang heard of this, informed by the hotel boy, he was told that they knew nothing of them. He acted promptly, however, to save them from execution and surrounded the place with 200 soldiers. On being refused entrance, they broke down the doors and rescued the students imprisoned inside. The Young Marshal then protested against such unlawful kidnapping, and demanding that it stop. Gen. Chiang wired back that he also disapproved of this and the officials of the *tangpu* were changed though the gendarmes did not withdraw from Sian.

At the same time Chang Hsueh-liang had been infuriated by the news of the Italian-German-Japanese alliance and their *de facto* recognition of his erstwhile empire, "Manchukuo." This is what he referred to in his circular telegram on the 12th saying: "Recently there have been startling changes in the international situation. Nations are intriguing with each other and using our people and our nation as a sacrifice." He also allegedly received a secret report from Nanking the first week in November, stating that the National Government had been forced into an understanding with Japan on the anti-Red campaign in the three provinces of Hopei, Chahar and Suiyuan.

Having himself been privy to all the efforts of Italy and Germany to win China for the Fascist Cause, and having himself once been interested in the Fascist movement in China, the Young Marshal became convinced that Chiang Kai-shek had been forced to join in the Fascist front. Hence, when Chiang Kai-shek, realizing the seriousness of the situation, hurried to Sianfu on December 7th, he was the victim of the coup d'etat on December 12th. He believed that having removed Gen. Chiang Kai-shek from Fascist influence, he would be able to "convert" him since he was no longer "surrounded by a band of bad people," as he himself has been converted to the United Front against Fascism.

MAYOR WU'S EXPOSURE

Gen. Wu Teh-chen, Mayor of the Municipality of Greater Shanghai, in the course of an address delivered at the Civic Center on Jan. 4, declared that the motives of those responsible for the Sian rebellion were (1) Development of a so-called anti-Japanese "Popular Front", (2) Establishment of a truce with the Chinese communists on the basis that "Chinese should not fight Chinese" but should join hands to oppose Japanese aggression. According to Mayor Wu the phrases, "Popular Front," "United Front," are but popular catchwords of the new political strategy of the Third International which is being applied to advance the communist movement in foreign countries, the aim being to seize political power for the communists.

The tactics of the communists, according to Mayor Wu, are entirely opportunist and unscrupulous and their talk of "saving the country" is merely a blind to "rope in the simple-minded." He regretted that a "small minority of the Chinese people in the Northwest had been so easily misled and had failed to see the danger of the new communist thrust in new guise.

The reason that the Nanking Government and popular opinion generally opposes the "Popular Front" is that the real objective of the promoters of the movement is merely to sow dissention and divide the country into a "class struggle." Under present circumstances, according to the Mayor, China needs a strong government under a trusted leader and both leader and government must have hearty support of the people. The cry of "Popular Front" is an alien importation somewhat similar to "Pan-Asian Unity," another imported phrase which has been dangled before the eyes of the people as a panacea for peace and prosperity in the Far East.

Mayor Wu also declared that the phrase "Chinese must not fight Chinese," was misleading because when the Government fights red-bandits in the Northwest it is fighting a menace to the Chinese body-politic because the red-bandits are traitorous Chinese under the pay and orders of alien masters and wherever the reds have found a footing they have destroyed and plundered the inhabitants and laid waste the land. When the Government is fighting red-bandits in the Northwest it is similar to fighting equally traitorous "Manchukuo" bandits in Suiyuan and Chahar as both are working for foreign domination over the land . . . To save China we do not have to go abroad for saviors and we can confidently place our trust in the men now at the head of our government . . . From among our own people and nation must arise leaders to save China . . . Our young people must be warned in time, for to lose faith and pride in our own country is to invite foreign aggression . . . We must beware of false and specious catchwords invented by others to enslave the Chinese people . . . We must beware of foreign machinations in whatever form and from whatever quarter they are directed . . . We must beware of the subtle and insidious intrigues behind the mask of the Sian revolt and instead of heeding the specious cry, 'Chinese must not fight Chinese,' we must retort that patriotic Chinese do not fight patriotic Chinese but are determined to fight traitorous Chinese serving foreign paymasters.

In conclusion the Mayor of the Shanghai Municipality declared that China must beware of "counter-revolutionaries" who utilize slogans such as "Popular Front," and "Chinese must not fight Chinese," in order to camouflage their sinister aims and who are prepared to wreck the "hard-won unification of China."

Daily Record of Stirring Events in China in 1936

COMPILED BY THE EDITORIAL STAFF OF "THE CHINA WEEKLY REVIEW"

(Concluded from last week)

JULY

1.—Generals Chen Chi-tang and Li Tsung-jen conferred at Canton to discuss plans for an advance into Hunan. General Pai Chung-hsi left Kwangsi for Liling front in Hunan to direct operations.
3.—New Japanese Ambassador S. Kawagoe presented credentials to National Government.
3.—Tang Shao-yi, veteran southwest leader, arrived at Shanghai.
3.—People's Economic Reconstruction Movement Committee formed at Nanking.
4.—Forty aviators of the Canton Air Squadron deserted with their planes and joined the government.
5.—All Southwest Armies mobilised and put on war-time basis.
6.—Tang Shao-yi arrived at Nanking.
7.—Nine Cantonese airplanes arrived at Nanking.
7.—General Yu Han-mou, Commander of Kwangtung's 1st Army, arrived at Nanking by airplane from his garrison post in Northern Kwangtung to interview General Chiang Kai-shek.
8.—General Li Han-huan, another Commander of Kwangtung's Army and Garrison Commander of Swatow, circularised a telegram, urigng internal peace and united front against external aggressions.
9.—Legislative Yuan passed the Income Tax Regulations.
9.—National Government celebrated the 10th anniversary of the launching of the Northern Punitive Expedition.
9.—The new French Ambassador, Emil Naggiar, presented credentials to National Government.
9.—Wang Keh-ming, who had been appointed Chairman of the Economic Committee of the Hopei-Chahar Political Council, arrived at Peiping to see General Sung Cheh-yuan and discuss with him economic development plans.
10.—Second Plenary Session of the Central Executive Committee opened at Nanking.
10.—General Chen Chi-tang held all-night conference with his subordinate officers on the military situation.
10.—Japanese troops clashed with soliders of the 29th Army at Taku, near Tientsin.
13.—Second Plenary Session of the C. E. C. adopted two important resolutions: namely, organization of a National Defence Council and abolition of the two Southwest organs, the Southwest Branch of the C. E. C. and the Southwest Political Council.
13.—The Military Affairs Commission in three orders dismissed General Chen Chi-tang from his military posts and appointed General Yu Han-mou Pacification Commissioner for Kwangtung, and Generals Li Tsung-jen and Pai Chung-hsi Pacification Commissioner and Vice-Pacification Commissioner for Kwangsi respectively.
13.—General Chiang Kai-shek in report at the C. E. C. session explained the policy and measures of the Government to cope with externel aggression.
13.—General Yu Han-mou returned to his garrison post from Nanking.
14.—Second Plenary Session of the C. E. C. closed.
14.—General Yu Han-mou assumed his new post as Pacification Commissioner for Kwangtung.

JULY

15.—Hsiao Fu-cheng, influential southwest leader, left Canton for Hongkong, as a protest against General Chen Chi-tang's action disrupting peace and unity of the country.
16.—Forces of General Yu Han-mou pushed toward Canton from Northern Kwangtung.
18.—General Chen Chi-tang left Canton for Hongkong aboard a British gunboat, after having handed over his military and civil duties to his subordinates respectively.
18.—General Chiang Kai-shek arrived at Kuling from Nanking by air.
18.—The entire Canton Air Force surrendered to the Government.
10.—General Yu Han-mou appointed General Miao Pei-nan Garrison Commander of Canton.
20.—Finance Ministry appointed T. L. Soong Special Finance Commissioner of Kwangtung and H. O. Tong Salt Commissioner of Kwangtung and Kwangsi.
21.—Kwangsi leaders telegraphed the Government, advocating peace and expressing readiness to obey the government's orders.
21.—Dr. J. Heng Liu, Superintendent of the Central Hospital, impeached by Control Yuan on charge of misappropriation of public funds.
22.—One full Division of General Yu Han-mou's troops entered Canton and took over garrison of the city.
22.—Vice-Minister of Finance Tsou Lin and Finance Commissioner T. L. Soong arrived at Canton by airplane to devise measure for readjustment of Kwangtung finance.
22.—A Chinese detective employed by the Japanese Consulate in Tientsin assassinated.
23.—General Yu Han-mou arrived at Canton and assumed complete control over the city. He appointed Admiral Chen Tseh Garrison Commander of Boger Tigris and General Hsu Ching-tang his Chief of Staff.
24.—General Huang Kwang-jui, head of Canton Air Force, arrived at Kuling to see General Chiang Kai-shek.
25.—National Government appointed General Li Tsung-jen member of the Standing Committee of the Military Affairs Commission, General Pai Chung-hsi, Chairman of Chekiang, and Generals Huang Shao-hsiung and Li Ping-hsien Pacification Commissioner and Vice-Pacification Commissioner of Kwangsi respectively.
25.—General Han Fu-chu, Shangtung Chairman, telegraphed General Chiang Kai-shek, reaffirming his loyalty to the Central Government.
27.—General Pai Chung-hsi expressed unwillingness to accept his new appointment as Chairman of Chekiang.
27.—The Chinese Goodwill Mission to Siam arrived back in Shanghai.
28.—Executive Yuan appointed Gen. Huang Mu-sung as new Chairman of Kwangtung Provincial Government and Tseng Yang-fu Mayor of Canton. Lin Yun-kai, incumbent Chairman of Kwangtung, was transferred as Chairman of the Mongolian and Tibetan Affairs Commission.
30.—Rumor was current that Generals Li Tsung-jen and Pai Chung-hsi had organised Military Government in Kwangsi with General Li Chi-sen as Chairman.

AUGUST

2.—National Government appointed General Lung Yun and General Hsueh Yueh Pacification Commissioner and Vice-Pacification Commissioner of Yunnan and Kweichow, and General Ku Chu-tung Chairman of Kweichow.
3.—Kwangsi military authorities were said to have decided to give up Wuchow and to make Pingnan their first line of defence in case of outbreak of war between Nanking and Kwangsi.
3.—Six Japanese gunboats arrived at Amoy.
5.—General Chiang Kai-shek telegraphed Generals Li Tsung-jen and Pai Chung-hsi, urging them to leave Kwangsi.
5.—More Japanese gunboats arrived at Amoy.
5.—Wu Hsin-ya, Commissioner of Social Affairs of Shanghai Municipality, died at Kuling. Pan Kung-chan, Commissioner of Education, was appointed concurrently acting Commissioner of Social Affairs.
8.—National Government transferred Lin Yun-kai as Minister of Audit of the Control Yuan and appointed Gen. Wu Chung-hsin Chairman of the Mongolian and Tibetan Affairs Commission.
11.—General Chiang Kai-shek arrived at Canton by air from Kuling.
11.—Feng Jui, Director of the Bureau of Agriculture and Forestry of Kwangtung, detained by the provincial authorities on charge of misappropriation.
12.—Irregulars and bandits were preparing to launch attack on Suiyuan. General Fu Tso-yi, Chairman of Suiyuan, ordered further strengthening of defences.
12.—General Chiang Kai-shek dispatched emissaries to Wuchow to see the Kwangsi leaders to negotiate for a peaceful settlement of the situation.
15.—General Li Ping-hsien, Chief of Staff of Kwangsi Army, arrived at Canton by air to discuss the situation with General Chiang Kai-shek.
17.—Japanese military officers held conference at Tientsin, which was also attended by Japanese Ambassador Kawagoe. Kwaagoe declared that the chief problem in the readjustment of the Sino-Japanese relations was economic co-operation.
17.—General Huang Mu-sung, Chairman of Kwangtung, General Yu Han-mou, Pacification Commissioner of Kwangtung and other new officials of the Kwangtung political and military administrations were respectively sworn in office.
18.—Executive Yuan passed the regulations governing the enforcement of the Income Tax.
18.—Dr. Wang King-chi, Minister to Norway, and Wunsz King, Minister to the Netherlands, sailed from Shanghai for their respective posts.
19.—Japanese Ambassador Kawagoe called on General Sung Cheh-yuan and discussed with him the problems of joint defence against Communism and economic co-operation.
21.—Representatives of Japanese War, Navy and Foreign

Offices who arrived at Tientsin from Changchun the previous day, convened an important conference to discuss the North China situation, particularly the problem of economic co-operation with Japan. Japanese Ambassador Kawagoe and General Tashiro also participated in the conference.

22.—General Chiang Kai-shek's emissaries to Kwangsi reported failure of their peace mission. General Chiang was now to decide on final steps to be taken in dealing with Kwangsi.

22.—Japanese consular conference summoned by Ambassador Kawagoe opened at Tientsin. Questions discussed and decisions reached at the conference not revealed.

24.—National Government issued mandates granting pardon to Generals Chen Ming-hsu and Li Chi-sen who were proscribed for their participation in the Fukien independence movement in 1933.

24.—General Ho Chien, Chairman of Hunan, General Hsiung Shih-hui, Chairman of Kiangsi, arrived at Canton to see Gen. Chiang Kai-shek and to assist in settlement of the Kwangsi situation.

24.—The so-called Chengtu incident occurred today, involving the killing of two Japanese nationals by a Chinese mob.

25.—Executive Yuan decided on appointment of Dr. C. T. Wang Chinese Ambassador to the United States and Dr. T. F. Tsiang Chinese Amabssador to Soviet Russia.

25.—Japanese Ambassador Kawagoe visited General Han Fu-chu, Chairman of Shantung, at Tsinan, and discussed with him the problem of Sino-Japanese economic co-operation.

27.—Kwangsi forces occupied Lienkiang district in Kwangtung and fighting also broke out in vicinity of Ningshan.

27.—Two mob ringleaders responsible for the killing of the two Japanese at Chengtu were executed by order of the Chengtu authorities.

27.—Anniversary of birth of Confucius observed.

28.—Representatives of the Kwantung Army held conference with highest Japanese military officers at Tientsin, at which it was decided to adopt a stronger policy in dealing with North China.

29.—National Government issued mandate, reiterating the previous order of cultivating friendly relations with neighboring countries.

29.—General Han Fu-chu, Shantung Chairman, arrived at Tsingtao to see T. V. Soong, who was vacationing there.

30.—General Chen Chi-tang left Hongkong for Europe.

SEPTEMBER

1.—The Canton-Hankow Railway formally opened to traffic.

1.—Executive Yuan appointed General Li Yang-ching Bandit-Suppression Commissioner of the Fukien-Chekiang-Kiangsi Borders.

2.—Three high Nanking officials, Chu Cheng, and Chen Chien and Chu Pei-teh arrived at Nanning from Canton by air, bringing with them autographed letters from Gen. Chiang Kai-shek to the Kwangsi leaders.

2.—Central Political Council appointed Dr. T. H. Lee (retired President of Fuhtan University) and Feng Chi-yu members of the Legislative Yuan.

3.—The so-called Pakhoi affair occured, involving the killing of a Japanese merchant there by a Chinese mob.

4.—The three Nanking envoys returned to Canton from Kwangsi, reporting to General Chiang on the outcome of their mission. They declared that prospect for peaceful settlement of the Kwangsi situation was brightened.

5.—Ko Ting-yuan, chief sercetary, and Liu Chih, member of the Hopei-Chahar Political Council, suddenly resigned their respective posts.

6.—National Government appointed General Li Tsung-jen, Pacification Commissioner of Kwangsi, General Pai Chung-hsi member of the Standing Committee of the Military Affairs Commission, and re-appointed General Huang Shao-hsiung (who had been appointed Pacification Commissioner of Kwangsi) Chairman of Chekiang.

7.—Japanese Ambassador Kawagoe summoned consular conference at Shanghai, discussing measures for the settlement of the Chengtu incident.

8.—National Government in mandate issued today decreed military service for all people of the country.

8.—Executive Yuan passed the Sino-Greek Treaty of Amity.

8.—Wang Keh-ming, newly appointed Chairman of the Economic Commissioner of the Hopei-Chahar Political Council, arrived at Tientsin from Shanghai by way of Dairen.

8.—Tu Chung-yuan, former editor of the *New Life Weekly*, who had been imprisoned for publishing an article considered offensive by the Japanese, was released today.

9.—Japanese Consul-General at Nanking Y. Suma called on Vice-Minister of Foreign Affairs Chen Chieh in connection with the Pakhoi and Chengtu incidents.

9.—Wang Keh-min called on General Tashiro at Tientsin and discussed with him measures for the economic development of North China.

9.—General Chiang Kai-shek telegraphed General Tsai Ting-kai, ordering withdrawal of the 19th Route Army from Kwangtung into Kwangsi.

9.—Feng Jui, Director of Kwantung Bureau of Forestry, executed by order of Gen. Yu Han-mou on charge of peculation of public funds.

10.—Generals Li Tsung-jen and Pai Chung-hsi expressed willingness to accept their new appointments.

10.—Four Japanese gunboats sailed from Tsingtao for Canton in connection with the Pakhoi affair.

11.—Two Japanese destroyers arrived at Hongkong. One sailed for Pakhoi.

11.—Executive Yuan wired the various provincial and municipal authorities, instructing them to maintain peace and order and to protect foreign nationals.

12.—General Tada and Wang Keh-min exchanged views on plans for the economic development of North China.

12.—Pan Fu, former premier of the Peking Government, died at Peiping.

13.—Japanese Ambassador Kawagoe arrived at Nanking to negotiate with General Chang Chun for settlement of the Chengtu and Pakhoi incidents.

13.—The new British Ambassador Sir Hughe Knatchbull-Hugessen arrived at Shanghai.

14.—The 19th Route Army refused to permit Japanese representatives to land at Pakhoi to investigate the incident.

15.—Japanese Ambassador Kawagoe called on General Chang Chun, inviting the Chinese Government's attention to the Chengtu and Pakhoi incidents.

15.—Generals Li Tsung-jen and Pai Chung-hsi ordered evacuation of the 19th Route Army from Pakhoi.

16.—Generals Li Tsung-jen, Pai Chung-hsi and Huang Hsu-chu assumed respectively their new posts as Pacification Commissioner for Kwangsi, member of the Standing Committee of the Military Affairs Commission, and Chairman of Kwangsi.

16.—Central Political Council appointed Wang Ching-wei and Huang Fu additional members of the National Government.

16.—Generals Li Chi-sen and Tsai Ting-kai flew to Hongkong from Kwangsi. The 19th Route Army began evacuation from Pakhoi.

17.—Generals Li Tsung-jen and Huang Hsu-chu arrived at Canton to interview General Chiang Kai-shek.

17.—General Yu Han-mou's troops took over garrison of Pakhoi.

17.—Sir Andrew Caldecott, Governor of Hongkong, arrived at Canton to interview General Chiang Kai-shek.

18.—An armed conflict occurred at Fengtai between Japanese and Chinese troops. A Chinese officer was taken captive by the Japanese.

18.—The fifth anniversary of Mukden Incident observed.

18.—General Tada called on General Sung Cheh-yuan to exchange views on the Sino-Japanese situation in North China.

18.—General Li Tsung-jen called on General Chiang Kai-shek to discuss rehabilitation measures in Kwangsi.

19.—The Fengtai incident settled with evacuation of Chinese troops.

19.—A Japanese policeman assassinated by unknown gunmen in Japanese Concession in Hankow.

20.—Chinese troops stationed in Fengtai were withdrawn, thereby leaving Fengtai under complete Japanese control.

20.—Generals Li Tsung-jen and Huang Hsu-chu returned to Kwangsi from Canton.

21.—Several Japanese warships arrived at Hankow from Shanghai, Japanese marines landed in the night.

22.—Chinese and Japanese commissioners to investigate the Pakhoi incident landed following evacuation of the 19th Route Army.

22.—Japanese Consul-General at Hankow called on Hupeh Chairman Yang Yung-tai in connection with the case of assassination of the Japanese policeman.

22.—The maritime customs at Shanghai sized large consignment of smuggled Japanese goods.

23.—Sir Hughe Knatchbull-Hugessen presented credentials to Chairman Lin Sen of the National Government as British Ambassador to China.

23.—Japanese Ambassador Kawagoe called on General Chang Chun to continue negotiations for settlement of Chengtu and Pakhoi incidents.

23.—Japanese bluejackets fired on by unknown gunmen in Hongkew, Shanghai, resulting in one being killed and two injured. Japanese Naval Landing Headquarters immediately declared martial law and stationed patrols in Chinese territory. Situation serious.

24.—Tokyo greatly excited by the Shanghai incident and issued urgent orders to the Japanese naval authorities in Shanghai to prepare for eventualities.

25.—Japanese residents in Hankow wired the Japanese Government, urging adoption of strong attitude towards China.

25.—Japanese cabinet decided to maintain strong policy towards China and instructed Ambassador Kawagoe to continue negotiations with Chinese Foreign Minister Chang Chun.

26.—National Government appointed General Ho Ying-ching

Director of the Generalissimo's Headquarters at Canton.

27.—M. Shigemtisu, former Japanese Minister to China and newly appointecd Japanese Ambassador to Soviet Russia, arrived at Tientsin en route to Moscow.

28.—General Chiang Kai-shek departed from Canton for Kiangsi.

28.—Kao Chung-wu, Director of Asiatic Affairs of Waichiao-pu, called on Japanese Ambassador Kawagoe to exchange views on Sino-Japanese situation.

28.—Japanese Foreign Minister H. Arita issued statement, declaring that China must decide whether or not she would co-operate with Japan.

29.—General Chiang Kai-shek telegraphed all the provincial and municipal authorities, instructing that strict measures must be taken to preserve peace and order and to prevent disturbances.

29.—Shanghai Municipal Council offered a $5,000 reward for the apprehension of the culprit responsible for the murder of the Japanese sailor in Hongkew.

30.—Foreign press reports alleged that Japan had presented four demands to the National Government.

30.—A Japanese gunboat with a new detachment of marines on board arrived at Hankow.

OCTOBER

1.—Situation in Hongkew and Chapei in Shanghai grew tense as a result of the killing of a Japanese sailor.

1.—Enforcement of the Income Tax began today.

2.—Japanese Government decided to send Mr. Kuwashima, Director of the Asiatic Bureau, to China to convey in person the latest instructions to Ambassador Kawagoe.

2.—Japanese Foreign Office spokesman severely took the Reuter's Service to task for publishing the alleged Japanese deands to the Chinese government.

2.—Yang Wen-tao (alias Hsiao Kwangtung) and Yeh Hai-sen, were convicted by the Shanghai First District Court of murder of the Japanese sailor, Nakayama, and sentenced to death.

2.—The Chinese newspapers in Nanking and Shanghai issued joint statement, warning Japan against excessive pressure on China.

4.—General Chang Hsueh-liang issued statement on Sino-Japanese situation.

5.—Mr. Kuwashima arrived at Shanghai from Japan and summoned conference of representatives of Japanese War, Navy and Foreign Offices in Shanghai.

5.—General Chiang Kai-shek arrived at Nanking from Kiangsi.

5.—Kwangsi authorities moved the provincial government from Nanning to Kweilin.

6.—Mr. Kuwashima arrived at Nanking to deliver instructions to Ambassador Kawagoe.

7.—Japanese nationals resident in Upper Yangtsze ports began evacuation.

7.—Rumor of imminent Sino-Japanese hostilities in Shanghai rife. As a result large exodus of Chinese residents from Chapei followed.

8.—General Chiang Kai-shek received Japanese Ambassador Kawagoe and explained his views on the readjustment of the Sino-Japanese relations.

9.—General Chiang Kai-shek issued lengthy statement on Sino-Japanese situation.

10.—General Chiang Kai-shek flew to Shanghai to see General Huang Fu, who had been seriously sick, and then continued his journey to Hangchow.

10.—The Chang Chia Living Buddha arrived at Nanking, saying that all Mongolian princes were loyal to the Central Government.

12.—More than sixty prominent university professors and educational leaders in Peiping issued a joint statement on the Sino-Japanese situation, demanding that the government take adequate and effective measures to prevent further encroachments on Chinese territory by Japan.

13.—Li Shih-hao, former Finance Minister of the defunct Peking Government, was appointed Chairman of the Economic Affairs Committee of the Hopei-Chahar Political Council in succession to Wang Keh-min, who had declined the post.

14.—National Government granted special pardon to Miss Sze Chien-chiao, who assassinated General Sun Chuan-fang at Tientsin for the latter's execution of her father some ten years ago and who was subsequently sentenced to long-term imprisonment by the Tientsin District Court.

15.—Standing Committee of the Central Executive Committee decided to postpone the convention of the National People's Congress to 1937.

15.—General Han Fu-chu, Chairman of Shantung, and General Hsu Yung-chang, Bandit-suppression Commissioner of Shansi, and General Yang Hu-chen, Pacification Commissioner of Shensi, arrived at Hangchow to interview General Chiang Kai-shek, who was then visiting the Lake City.

17.—Agreement for opening of an air service between North China and Japan signed at Tientsin.

18.—Situation in East Suiyuan became increasingly tense as "Irregulars" and banidts were preparing for attack. General Fu Tso-yi, chairman of Suiyuan, left Kweihua for east Suiyuan to inspect the defences.

18.—Chang Hui-chang, Chinese Minister to Cuba, returned to China on leave.

19.—Lu Hsun (Chou Shu-jen), noted Chinese writer of contemporary China, died at Shanghai.

19.—General Chang Chun and Japanese Ambassador Kawagoe met for the fourth time in Nanking to continue their negotiations.

19.—Shih Yu-shan was appointed North Hopei Border Defence Commissioner by the Hopei-Chahar Political Council.

19.—General Chiang Kai-shek returned to Nanking from Hangchow.

21.—General Chang Chun and Mr. Kawagoe met for the fifth time in Nanking.

21.—General Han Fu-chu announced his determination to defend territory under his control against foreign encroachment.

22.—General Chiang Kai-shek arrived at Sian from Nanking by air.

22.—Japanese Consul-General in Nanking, Y. Suma, left Nanking for Tokyo to report on Sino-Japanese negotiations.

23.—Hsu Shih-yin, Chinese Ambassador to Japan, called on Japanese Foreign Minister H. Arita and suggested partial settlement of Sino-Japanese outstanding issues. Mr. Arita rejected the suggestion.

24.—Dr. T. F. Tsiang, the newly appointed Chinese Ambassador to Moscow, from sailed Shanghai for his post.

24.—Shanghai public bodies held ceremony of christening of airplanes presented to the National Government in honor of General Chiang Kai-shek's 50th Birthday.

24.—Y. Suma arrived at Tokyo from China. Foreign Minister Arita summoned important conference to hear Mr. Suma's report on the status of the Sino-Japanese negotiations.

25.—General Yang Yung-tai, Chairman of Hupeh, assassinated at Hankow.

25.—General Fu Tso-yi, Suiyuan Chairman, arrived at Taiyuan to confer with General Yen Hsi-shan on defence measures in East Suiyuan against Mongol "irregulars".

25.—State funeral of the late Hu Han-min held at Canton, attended by high officials of the Central Government.

25.—Japanese Foreign Office summoned important conference to discuss final attitude toward China.

26.—Sixth meeting between Mr. Kawagoe and Gen. Chang Chun held.

26.—Japanese troops in North China staged large-scale maneuvers.

27.—Executive Yuan appointed Meng Kwang-peng Acting Chairman of Hupeh.

27.—Chinghai Chairman, Gen. Ma Lin, departed from Shanghai for Mecca on pilgrimage.

29.—Japanese Consul lodged protests with Taiyuan authorities against the latter's order requiring that all Japanese without passports should be escorted out of the city.

29.—General Chiang Kai-shek arrived at Loyang, Honan, from Nanking.

30.—The so-called Taiyuan incident occurred involving a Japanese forcibly occupying a private Chinese house. Japanese consular authorities filed strong protest.

31.—Nanking and other cities celebrated General Chiang Kai-shek's 50th birthday with presentation of airplanes to the National Government.

31.—Generals Yen Hsi-shan, Chang Hsueh-liang, Fu Tso-yi and Hsu Yung-chang arrived at Loyang to offer congratulations to General Chiang Kai-shek on his 50th birthday. They returned to their respective posts on the following day.

NOVEMBER

2.—Marshal Tuan Chi-jui died at Shanghai.

2.—Martial law declared in Tientsin.

3.—Japanese troops in North China continued their maneuvers with Peiping as imaginary objective of attack.

3.—General Fu Tso-yi declared at Kweihua that Suiyuan was determined to resist with force attacks by whatever quarters, irregulars or others.

3.—Yueh Chien-chung, editor of the *Hwa Lien News Agency*, arrested in Shanghai, reportedly involved in the case of assassination of Hupeh Chairman Yang Yung-tai.

4.—Situation in East Suiyuan grew critical with Japanese airplanes making daily flights over the area.

4.—Japanese military forces concluded maneuvers in Peiping-Tientsin area.

4.—Kwangtung Chairman Gen. Huang Mu-sung and Canton Mayor Tseng Yang-fu returned official to the Governor of Hongkong, Sir Andrew Caldecott.

5.—National Government in mandate accorded state funeral to the late Marshal Tuan Chi-jui.

6.—The Sino-Greek Treaty of Amity passed by the Legislative Yuan.

7.—Irregulars and other puppet troops in Chahar attempted to invade Suiyuan from Pailingmiao. Suiyuan authorities reenforced the Pailingmiao front.

8.—Wang Ying, leader of bandits invading Suiyuan, arrived

at Tientsin and conferred with agents of "certain quarters" on plans of invasion.
9.—Workers in seven Japanese mills in Shanghai declared general strike.
10.—Mr. Kawagoe and Gen. Chang Chun held seventh meeting at Nanking.
10.—Mongolian Irregulars and Suiyuan troops clashed on Pailingmiao front. Attacks repulsed by Suiyuan forces.
10.—Soviet Ambassador, D. Bogomoloff, left China on home leave.
10.—More than 20,000 workers in Japanese mills in Shanghai had joined strike. Situation grew meancing.
11.—Gen. Feng Chih-an assumed office as Acting Chairman of Hopei succeeding Gen. Sung Cheh-yuan who had resigned.
11.—Units of the 29th Army under command of Gen. Sung Cheh-yuan staged maneuvers in vicinity of Peiping.
12.—71th anniversary of birthday of Dr. Sun Yat-sen observed in Nanking and in other cities.
12.—Mongol irregulars and bandits renewed attack on Suiyuan.
12.—Legislative Yuan President Sun Fo visited Kweilin, Kwangsi.
12.—Yao Lieh, veteran Kuomintang leader and associate of Dr. Sun Yat-sen, died in Nanking.
13.—Mongol irregulars and bandits launched attack on Fingtichuan and Tatung, assisted by airbombers.
13.—Strikers of Japanese mills in Shanghai resumed work.
14.—Nanking, Shanghai and other cities organised "Support Suiyuan" Movement.
15.—Serious fighting broke out between Mongol irregulars and the Suiyuan troops in vicinity of Taolin, east Suiyuan.
15.—The 53rd Army under Gen. Wan Fu-lin started maneuvers in Peiping.
16.—Fierce fighting continued between Mongols and Suiyuan troops in East Suiyuan.
16.—General Yen Hsi-shan contributed $870,000 to Suiyuan war fund.
17.—General Chiang Kai-shek arrived at Taiyuan from Loyang to confer with Gen. Yen Hsi-shan on Suiyuan situation.
18.—Generals Sung Cheh-yuan and Han Fu-chu conferred at Nankung on Hopei-Shantung border on Suiyuan situation.
18.—General Chiang Kai-shek returned to Loyang from Taiyuan.
18.—Hui-Tung Air Service Company inaugurated at Tientsin.
19.—Mongol irregulars continued attack on Pingtichuan and Taolin along three different routes.
19.—General Chiang Kai-shek flew to Tsinan from Loyang to see General Han Fu-chu.
19.—Workers in Japanese mills in Tsingtao declared strike.
20.—Units of Peace Preservation Corps of Yin Ju-keng's East Hopei Regime mutinied at Changli and kidnapped two Japanese officers.
22.—Attacks on Hsinho by irregulars under Li Shou-hsin repulsed by Suiyuan troops.
22.—General Yen Hsi-shan summoned important military conference at Taiyuan.
22.—Workers in some Japanese mills in Shanghai again struck.
23.—Five delegates of Shanghai community headed by Wang Hsiao-lai flew to Suiyuan to offer comforts to the troops at the front.
23.—Seven leaders of the National Salvation Association, namely, Shen Chun-lu, Tsang Nai-chi, Li Kung-po, Tsou Tao-fun, Wang Chao-shih, Sa Chien-li and Miss Sze Liang arrested in Shanghai on charge of being in league with Communists and instigating strike of workers in Japanese mills. They were released on bail the same day.
23.—Bank of Canton at Hongkong reopened. T. V. Soong presided at opening ceremony.
24.—Suiyuan forces captured Pailingmiao from Mongol irregulars.
24.—Shanghai community remitted $100,000 to Suiyuan authorities as contribution to defence fund.
24.—The seven leaders of National Salvation Association rearrested.
24.—Strike of workers in Japanese mills in Shanghai settled.
24.—National Government ratified Sino-Greek Treaty of Amity.
24.—T. V. Soong, Chairman of the Board of Directors of Bank of China, arrived at Canton in connection with the reopening of the Bank of Canton.
25.—Mongol irregulars, after fall of Pailingmiao, planned attack on Shangtu with aid of alien troops.
25.—Vice-War Minister Gen. Chen Cheng arrived at Taiyuan to see General Yen Hsi-shan in connection with the Suiyuan situation.
23.—Shanghai City Government issued statement on arrest of seven leaders of the National Salvation Association.
25.—Chinese Government's spokesman denied rumor of alliance between China and Great Britain.
26.—Chinese official circles, commenting on the German-Japanese Anti-Communist Pact, declared that China would rely on her self in anti-red work and there would be no need for her to consult any third party.
26.—Chinese troops victorious on all fronts in Suiyuan. Intrigue of certain quarters to establish "Ya Yuan Ti Kuo (Great Mongol Empire)" in Inner Mongolia failed.
27.—"Manchukuo" and Japanese Kwantung Army spokesman issued joint statement, expressing their sympathy for the Mongol invaders of Suiyuan.
28.—Spokesman of the Ministry of Foreign Affairs declared that China would not tolerate any interference with her sovereignty or impairment of her territorial integrity by any country.
27.—Vice-War Minister Gen. Chen Cheng arrived at Kweihua. General Fu Tso-yi summoned important military conference.
29.—Part of Li Shou-hsin's troops deflected and joined the government force in Suiyuan.
30.—General Chen Cheng inspected defences at the front.
30.—Italian Ambassador Lojacono called on Foreign Minister Chang Chun.

DECEMBER

1.—General Huang Shao-hsiung transferred as Chairman of Hupeh and Dr. Chu Chia-hua appointed Chairman of Chekiang.
1.—National Government ordered abolition of Hupeh Pacification Headquarters.
1.—Workers in Japanese cotton mills in Tsingtao declared strike.
2.—Owners of Japanese cotton mills in Tsingtao enforced general lock-out, causing unemployment to nearly 30,000 workers.
2.—The 40th and 32nd Armies staged maneuvers in Northern Honan.
2.—Fighting broke out again in vicinity of Shangtu. Fresh reenforcements of alien troops arrived to join attack.
3.—Over 1,000 Japanese marines landed at Tsingtao. They raided the Kuomintang offices and arrested several officials.
4.—Japanese marines continued to occupy Tsingtao.
4.—National Government issued mandate centralizing control over foreign affairs and Sino-foreign enterprises.
4.—Shen Chun-lu, Tsang Nai-chi and four other leaders of National Salvation Association removed from Shanghai to Soochow High Court for trial.
5.—Pailingmiao airbombed by Mongolian rebels. Three Divisions of Mongol irregulars massed in Northern Chahar ready for attack.
5.—Japanese Ambassador Kawagoe arrived at Shanghai from Nanking.
5.—Shanghai-Canton radio service inaugurated today.
5.—Chinese Ambassador Hsu Shih-yin lodged protest with Japanese Foreign Minister Arita against landing of Japanese marines in Tsingtao.
6.—Tsingtao Mayor Shen Hung-lieh rejected unreasonable demands presented by Japanese. Situation continued to be tense.
6.—General Chiang Kai-shek arrived at Sian.
6.—General Huang Fu died at Shanghai.
6.—T. V. Soong flew to Kwangsi from Canton.
7.—Ministry of Foreign Affairs issued statement on Sino-Japanese negotiations.
8.—More troops under bandit leader Wang Ying surrendered to Government.
8.—General Chiang Ting-wen, Pacification Commissioner for Fukien and Dr. Chu Chia-hua, new Chairman of Chekiang, arrived at Sian to see General Chiang Kai-shek.
10.—The Tsingtao affair settled.
12.—Gen. Chang Hsueh-liang's troops staged *coup detat* at 6 a.m. at Hwachingchin, near Sian, (Capital of Shensi), detaining Gen. Chiang Kai-shek and 17 other high Government officials.
Gen. Chang circularized telegram submitting eight demands to National Government, urging among other things war on Japan, alliance with Russia and reorganization of the Central Government.
13.—National Government issued mandate declaring adequate measures would be taken to cope with Sian mutiny.
13.—Yu Hsueh-chung's troops revolted at Lanchow, Kansu.
13.—Dr. H. H. Kung appointed Acting President of the Executive Yuan.
13.—Thousands of Central Government troops reported on way to Shensi capital.
13.—Central Political Council dismissed Chang Hsueh-liang from all Government posts and ordered for his arrest.
14.—Madame Chiang received telegram from Generalissimo saying he was well and safe.
14.—W. H. Donald, Australian adviser to the Generalissimo, arrived in Sian from Nanking by plane to mediate in the trouble.
14.—Fierce fighting between Central Government troops and the rebels reported at Sienyang, 15 miles northwest of Sian.
14.—Leaders throughout the country pledged support and loyalty to Nanking.
15.—W. H. Donald flew to Loyang from Sian and sent message to Madame Chiang saying Generalissimo was well.
15.—Executive Yuan decided foreign policy as laid down by

Gen. Chiang and the bandit-suppression campaign would be continued.

15.—Japanese issued report Gen. Chiang murdered in Sian.

16.—Nanking ordered Punitive Expedition against rebels.

16.—Gen. Ho Ying-chin appointed Commander-in-Chief of Expeditionary Forces.

17.—Control Yuan President Yu Yu-jen went to Shensi as special emissary of National Government to comfort people.

17.—Chiang Hsueh-liang's delegate arrived in Taiyuan to see Gen. Yen Hsi-shan.

18.—Gen. Chiang Kai-shek sent autographed letter to Gen. Ho Ying-chin saying he (Chiang) was expected to return to Nanking before Saturday and requested Central Government to suspend hostilities and bombing operations at Weinan.

18.—Gen. Chiang Ting-wen, released by the rebels, returned to Nanking by plane and reported Generalissimo was well.

18.—T. V. Soong left Nanking for Sian by plane.

19.—Death of Shao Yuan-chung at Sian confirmed.

19.—First report of death of Generalissimo's chief bodyguard, Capt. Chiang Hsiao-hsien and secretary, Hsiao Nan-kua, received in Shanghai.

19.—T. V. Soong arrived at Sian.

20.—Gen. Chiang Kai-shek failed to return to Nanking.

20.—T. V. Soon returned to Nanking from Sian.

21.—Madame Chiang flew to Sian with T. V. Soong and W. D. Honald.

21.—Forty-six aides-de-camp and secretaries killed while defending the Generalissimo in Sian, according to eyewitness.

21.—Japanese Ambassador Kawagoe called on Foreign Minister Chan Chun, inquiring of the Sian situation.

22.—Wang Ching-wei, who had been recuperating in Europe, sailed from Italy for China, having been summoned back by the National Government after the outbreak of the Sian crisis.

22.—Generals Liu Shih and Ku Chu-tung appointed commanders-in-Chief of Eastern and Western route armies of Punitive Expeditionary Forces.

23.—Chihsui in Shensi captured by Government troops.

23.—Hostilities suspended three days at request of T. V. Soong.

23.—Standing Committee of the Central Executive Committee appointed Chairman Lin Sen concurrently Acting Vice-Chairman of the Central Political Council and Judicial Yuan President Chu Cheng Acting Vice-Chairman of the Standing Committee of the C. E. C. in the absence of General Chiang Kai-shek.

24.—Gen. Chiang spent Christmas eve in rebel headquarters at Sian.

24.—Government forces closing in on Weinan. All tracks and bridges east and west of town damaged.

25.—Gen. Chiang Kai-shek was released and arrived safely at Loyang at 6.30 p.m. in a Boeing plane.

25—.Whole nation rejoiced at news of release of Generalissimo.

26.—General Chiang Kai-shek arrived at Nanking from Loyang by plane at 12.30 p.m.

26.—General Chang Hsueh-liang, accompanied by T. V. Soong, arrived at Nanking from Loyang at 2.30 p.m. Immediately after arrival, General Chang addressed a letter to General Chiang Kai-shek, expressing his regret for the Sian incident and asking that he be punished for the crime.

26.—General Chiang Kai-shek made public his speech of admonition delivered at Sian Dec. 25 to Generals Chang Hsueh-liang and Yang Hu-cheng, leaders of the Sian revolt.

26.—Official circles in Nanking denied that General Chiang Kai-shek was released upon conclusion of a compromise with the leaders of Sian mutiny.

27.—General Chiang Kai-shek sent message of encouragement to Suiyuan troops engaged in war with Mongol irregulars.

27.—Nanking and other cities held mass meetings celebrating safe return of General Chiang Kai-shek to the Capital.

27.—The various other high government officials detained at Sian all returned to Nanking.

27.—Wang Ching-wei cabled message of congratulations to General Chiang Kai-shek upon his safe return.

28.—The Chengtu and Pakhoi incidents settled.

29.—General Chiang Kai-shek tendered resignation from his posts as President of the Executive Yuan and Chairman of the Military Affairs Commission, holding himself responsible for the Sian coup.

29.—Standing Committee of the Central Executive Committee rejected General Chiang's resignations and urged him to remain in office.

29.—Standing Committee of the Central Executive Committee decided to convene 3rd Plenary Session of the C. E. C. on February 15, 1937.

29.—Central Political Council decided on three measures for the settlement of the Sian Affair, empowering the Military Affairs Commission to deal with it.

29.—Headquarters of the Punitive Expedition against Sian rebels ordered to be abolished.

31.—General Chang Hsueh-liang sentenced by a Military Tribunal of the Military Affairs Commissioner to ten years' imprisonment and deprivation of civil rights for five years.

31.—General Chiang Kai-shek petitioned the National Government for clemency on behalf of Gen. Chang Hsueh-liang.

Future of Chang Hsueh-liang Uncertain; General Chiang Taking Rest at Fenghua

HIGH LIGHTS IN THE EVENTS OF THE WEEK:

1. **Special Pardon Granted Chang Hsueh-liang by Nanking on New Year Day.**
2. **Chang Sentenced to 10 Years' Imprisonment; Text of Judgement Given.**
3. **Reorganization of Military and Civil Administrations in Northwest Ordered.**
4. **Remains of Shao Yuan-chung and Other Officials Killed at Sian Arrive in Nanking.**
5. **General Chiang Kai-shek Granted One Month's Leave, Resting at Native City.**
6. **Resignation of General Chiang Rejected by Central Executive Committee.**
7. **Chengtu and Pakhoi Incidents Settled After Protracted Negotiations.**
8. **Contributions to Suiyuan Defence Fund Now Total $150 Millions.**

The future of Gen. Chang Hsueh-liang, leader of the Sian revolt, has aroused much interest and speculation as a result of the action of the State Council Jan. 4, which, although granting him a pardon, upheld the Military Tribunal's decision depriving him of civil rights for five years. This makes it impossible for the "Young Marshal" to hold any Government posts, civil or military, for some time. Furthermore, the decision to place him under "strict surveillance" prevents him from returning to Siantu, where his troops are at present stationed. It is not known whether General Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, will again petition the National Government requesting further consideration. While Chang is receiving the best treatment and comforts at the residence of Dr. H. H. Kung, the Finance Minister, he is nevertheless virtually a prisoner. He is not allowed to receive callers, and is not permitted to answer or make telephone calls, according to *Reuters*. It is learned that he is planning to visit Shanghai sometime next week in company of T. V. Soong.

Shanghai Mainichi reported Jan. 5 that Chang Hsueh-liang has decided to cancel his contemplated trip abroad, and will make a short stay for several days in Shanghai. Then he will return to Sian to devise measures in dealing with his troops, so as to express his loyalty and sincerity to the Central Government.

SPECIAL PARDON GRANTED CHANG HSUEH-LIANG ON NEW YEAR DAY

Chang Hsueh-liang was granted a special pardon Jan. 4 on the recommendation of General Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission. This action was taken at a meeting of the State Council after hearing explanations of their verdict by the three military tribunal judges, Generals Li Lieh-chun, Chu Pei-teh and Lu Chung-lin, who sentenced Chang to 10 years' imprisonment on Dec. 31 and by the President of the Judicial Yuan, Chu Cheng. The Council, however, ordered Chang Hsueh-liang to be handed over temporarily to the custody of the Military Affairs Commission with instructions to keep him "under strict surveillance." Those present at the meeting included President Lin Sen, Chu Cheng, Tai Chi-tao, Feng Yu-hsiang, Chang Chi, Li Wen-fan, Ma Chao-chun, Wang Pi-chun, T. V. Soong, Yeh Chu-tsang, Chen Li-fu, Chen Chi-tsai, Lieh-chun, Wei Hwai and Lu Chao. President Lin Sen presided. The meeting adjourned at noon.

T. V. Soong, member of the Standing Committee of the National Economic Council and Chairman of the Board of Directors of the Bank of China, who flew to Nanking from Fenghua Jan. 4 to attend the meeting to the State

Council, returned to Shanghai by airplane at 3.30 in the afternoon. Mr. Soong left Shanghai for Fenghua Jan. 3 to call on General Chiang Kai-shek and to pay his respects to the late Chiang Hsi-hou, elder brother of the Generalissimo. While in the capital Mr. Soong called on Chang Hsueh-liang after the meeting of the State Council. The latter, it is stated, is not planning to leave Nanking for the time being. Mr. Soong flew again to Fenghua Jan. 5 to discuss with General Chiang on rehabilitation measures in Shensi and the future of General Chadg Hsueh-liang following pardon of his crime.

CHANG SENTENCED TO 10 YEARS' IMPRISONMENT, FULL TEXT OF JUDGMENT GIVEN

General Chang Hsueh-liang was sentenced to ten years' imprisonment and deprivation of civil rights for five years by a Military Tribunal on Dec. 31. The presiding judge was General Li Lieh-chun, with General Chu Pei-teh and General Lu Chung-lin as Assistant Judges. The accused was tried on eight counts. He accepted sole responsibility for the Sian revolt and said that he acted in the interests of the State and the people. "Whatever decision the Court renders, I will cheerfully accept," the defendant said. The Court sat from 10 a.m. unitl 11.30 p.m. but did not render its decision until late in the afternon.

The following is a full translation of the judgment rendered by the Military Tribunal specially constituted by the Military Affairs Commission for the trial of General Chang Hsueh-liang.

"*Accused:* Chang Hsueh-liang.

The above defendant, charged with violence against and threat to a superior official, has been tried by the High Military Tribunal organized by this Commission.

Judgment is hereby pronounced as follows:

Text: Chang Hsueh-liang, having been found guilty of planning and organizing a conspiracy for violence against and threat to a superior official, is hereby given a reduced sentence of ten years' imprisonment, with deprivation of civic rights for a period of five years.

Facts: In December of the 25th Year of the Republic of China (1936), Chiang Chung-cheng (Chiang Kai-shek), President of this Commission, proceeded from Loyang to Shensi on official business, taking up his ttemporary quarters at Lintung. At dawn on the 12th, Chang Hsueh-liang, at the head of his subordinates, seized and held, at Sian, and tried to force President Chiang to accept his proposals relating to the reorganization of the Government and other matters. At that time Shao Yuan-chung, member of the Central (Executive) Committee, who had proceeded to Shensi on official business; Chiang Hsiao-hsien, Chief of the Third Section of (the Generalissimo's) Adjutants' Office; Hsiao Nai-hua, Secretary; and several attendants, public functionaries and guards; as well as Yang Chen-ya, Commander of the Military Police Regiment stationed in Shensi, after learning of the revolt, resisted, and were all killed. Chien Ta-chun, Director of the Adjutants' Office, was also wounded. Several high Government officials in Shensi were also detained. After having been rebuked by President Chiang, Chang Hsueh-liang subsequently repented, and on the 25th day of the same month accompanied President Chiang to the Capital to ask for punishment. At the outbreak of the *coup*, Chang Hsueh-liang was referred by the National Government to this Commission for severe punishment. A letter of repentance written by Chang Hsueh-liang was later received. A High Military Tribunal, organized by this Commission to try the case, has established the above facts.

Reasons: That Chang Hsueh-liang, the defendant in this case, had led his subordinates (troops) in seizing the Generalissimo and had exerted pressure on (General Chiang Kai-shek) to accept his proposals regarding the reorganization of the Government and other matters, is proved by the circular telegrams issued by the defendant. The murder of Government officials and detention of military commanders are incontrovertible facts. Though these acts were committed by his subordinates, it is evident that they were instigated by the defendant, who should therefore bear the responsibility. Judging from his acts, he has violated the first part of Section 2 of Article 67 of the Criminal Code for the Land, Naval and Air Forces; Sections I and 2 of Article 271 and Section 1 of Article 302 of the Criminal Code. However, the crimes he committed were of such a nature that several crimes were committed through one act; or by means of one crime, or the consequence thereof, other crimes were committed. In accordance with Articles 55 and 15 of the Criminal Code for the Land, Naval and Air Forces, and the first part of Section 2 of Article 67 of the Criminal Code, sentence should be passed on the most serious offence committed. However, after being rebuked by President Chiang, the defendant repented, and followed him to the Captial to ask for punishment. In view of these extenuating circumstances, his crime does not exclude leniency. In accordance with Article 59 of the Criminal Code and the first part of Section 2 of Article 67 of the Criminal Code for Land, Naval and Air Forces, the defendant is hereby given a reduced sentence of 10 years' imprisonment; and, in accordance with Section 2 of Article 37 of the Criminal Code, deprived of his civic rights for a period of 5 years.

Sentence is hereby specially passed in conformity with the text of the judgment.

Judgment rendered on Dec. 31 of the 25th Year of the Republic of China (1936).

(Signed) Li Lieh-chun, Presiding Judge of the High Military Tribunal of the Military Affairs Commission.

Chu Pei-te and Lu Chung-lin, Judges.

Chen En-pu and Chiu Yu-chen, Military Judges.

Yuan Tsu-hsien and Kuo Tso-min, Recording Officials."

IMPORTANT CHANGES IN FOUR NORTHWESTERN PROVINCES MADE BY NANKING

Important changes in the military and political administrations of Shensi, Kansu, Chinghai and Ninghsia provinces were made by the Executive Yuan Jan. 5. Sun Wei-ju was appointed Chairman of the Shensi Provincial Government to succeed Shao Li-tse, whose resignation was accepted by the Executive Yuan. Gen. Ku Chu-tung, Chairman of the Kweichow Provincial Government, was named Director of the Generalissimo's Headquarters in Shensi, Chinghai and Ninghsia. Gen. Wang Shu-chang, vice-president of the Military Advisory Council, was appointed director of the Generalissimo's Headquarters in Kansu and Suiyuan, succeeding Gen. Chu Shao-liang. Gen. Yang Hu-cheng, Pacification Commissioner for Kansu, was named Director of the Generalissimo's Headquarters in Sian while Gen. Feng Chin-tsai was appointed Field Commander of the 37th Army. The 51st, 57th and 67th Armies, 105th, 109th, 112th, 115th and 120th divisions and cavalry units of the Northwestern Bandit-suppression Forces, formerly under Chang Hsueh-liang, were ordered to return to their original posts prior to Dec. 12. Financial support to those armies will continue to be granted by the Central Government.

The petition submitted by Generals Yang Hu-cheng and Yu Hsueh-chung, Chairman of the Kansu provincial government, rrequesting that they be punished for the uprising in Sian, was accepted by the Executive Yuan and the two generals were instructed to continue their command and to prove their repentence by service to the country.

Nanking officials attached to the Northwest Bandit-Suppression Headquarters and the Northwest Political Training Department, who left Sian en bloc Jan. 3, arrived at Loyang Jan. 4 on their way back to Nanking. It is not known whether or not the Bandit-Suppression Headquarters has already been abolished in the Northwest, said *Ta Kung Pao*, Jan. 4.

Anxiety has been caused in Nanking by reports of continued unrest among the troops under the command of Chang Hsueh-liang and General Yang Hu-cheng, the leaders of the recent mutiny in Sianfu. The situation is evidently not without danger, for there has been a complete evacuation of Central and provincial government officials from Shensi, says or *Reuter* report.

"MAINICHI" SEES DIFFICULTIES IN REORGANIZATION OF CHANG'S TROOPS

Several obstacles to the reorganization of Gen. Chang Hsueh-liang's "Tungpei" troops are foreseen by the Shanghai *Mainichi* in an editorial comment on the subject Jan. 5. The paper states what it believes to be the three principal difficulties, as follows:

"Firstly, the local militarists, especially Gen. Yen Hsi-shan, Pacification Commissioner of Shansi, Gen. Fu Tso-yi, chairman of Suiyuan, and Gen. Liu Hsiang, chairman of Szechwan, will obstruct the work of reorganization from behind the scenes. They will not suffer the disappearance of Gen. Chang Hsueh-liang, for then they will face the same fate.

"Secondly, if the Central Government attempts to suppress the Tungpei army by force, the latter will unite with the Red Army. This combined force would constitute a great threat to Nanking.

"Thirdly, attempts to reorganize the Tungpei troops will not meet with the sympathy of the masses. At the outset of the Sian revolt, Chang Hsueh-liang raised the banner of war against Japan. If his troops are now reorganized, this will signify the refusal of the Central Government to fight Japan, and the sympathy of the masses will go to the Tungpei army."

Having granted Chang Hsueh-liang a special pardon, the Military Affairs Commission ordered Jan. 4 Hu Chung-nan's troops (Nanking units) to withdraw to Hanchung and Liu Shih's troops (Honan units) to withdraw to Tungkwan, and also decided to effect reorganization of the former Northeastern Army (Chang Hsueh-liang's troops) within half a year, so that they will be entirely assimilated into the Central Government Army, reported *Shanghai Nichi-Nichi* Jan. 5. But, whether or not the reorganization will be really put into effect is, as yet, doubtful.

Commenting on the fact that Chang Hsueh-liang has been pardoned by the National Government, the *China Times* in an editorial Jan. 5, wrote: "Chang has not yet been ordered to resume his official posts. As he was sentenced to ten years' imprisonment and deprived of civil rights for five years, he is not entitled to hold any official post for five years. Judging from the decision of the National Government, namely, that after the granting of a special pardon Chang Hsueh-liang shall be handed over to the custody of the Military Affairs Commission with instructions to keep him 'under strict surveillance,' it is apparent that he will not have his civil rights restored, at least for the time being." In conclusion, the paper hopes that Chang Hsueh-liang will in the future do his best to atone for his crime.

Commenting on the same subject, the *Shun Pao* writes: "Chang Hsueh-liang was tried by court-martial for the purpose of upholding discipline in the country. His sentence of 10 years' imprisonment upholds the dignity of Chinese jurisdiction. Gen. Chiang Kai-shek's plea for a pardon shows the efforts being made to consolidate national unity. The pardon granted by the National Government gives Chang a chance to become a new man and do

his best for the country. From the Sian revolt, people of the entire nation must learn the lesson that during the present time of ntaional crisis national affairs must be taken into consideration before individual opinions . We believe that as a result of the Sian incident fuller understanding between the National Government and the local governments will be reached."

The strained relations which have existed between two rival groups of students at the Northeastern University in Peiping since the recent Sian revolt, led to an unfortunate incident Jan. 2 when members of the Student Self-Government Association set on several members of the so-called University Protecting Group and seriously wounded three students. The fracas occurred while the members of the University Protecting Group were posting bills on the bulletin board denouncing the Student Self-Government Association. This Association is opposed to the activities of the other group, who have been clamoring for a reorganization of the University by the Ministry of Education. On the other hand the Self-Government Association desires the maintenance of the *status quo* with General Chang Hsueh-liang remaining as Chancellor of the University. Six students of the Association were arrested by the police immediately after the inciddent and are still held in the police headquarters for examination.

Information received from various quarters indicates that communications in the Northwest have not yet fully returned to normal since the settlement of the Sian revolt. The Lunghai Railway west of Weinan is still congested with rolling stock, and despite the strenuous efforts of the railway authorities both passenger and freight trains are unable to proceed further up. Although letter mail for Sian and Lanchow is being received as usual at the Post Office, parcels are not accepted. Both the telegraphic and wireless services with Sian have been fully restored for some time. A partial wireless service with Lanchow is also now being maintained.

REDS UNDER MAO TSE-TUNG NEARING KANSU CAPITAL

The Reds under Mao Tse-tung are now nearing Lanchow, the capital of Kansu, reported *Paotaw Jih Pao* Dec. 30. The former Northeastern Army under General Yu Hsueh-chung, which was hitherto stationed in Lanchow, have withdrawn and are now concentrating in Shensi.

Scoring an overwhelming victory over the communists in the northwest, the Government troops captured Shantanhsien on the Kansu-Chinghai border on Jan. 1, according to *Central News*. It was declared that 831 bandits were captured and many killed.

REMAINS OF SHAO AND OTHER OFFICIALS KILLED AT SIAN ARRIVE AT NANKING

Amidst sad and solemn atmosphere the remains of the late Shao Yuan-chung, former Chairman of the Party History Compliation Committee, and 8 others who were killed on Dec. 12 during the outbreak of the mutiny at Sian, were conveyed to Nanking from Pukow at Dec. 5. Besides Mrs. Shao and her children, many friends and relatives of the deceased met the hearse at Pukow. Immediately after the arrival of the remaining at the Hsiakwan Wharf a memorial service was held under the auspices of the Central Executive Committee. Coffins of other 8 victims included those of Col. Chiang Hsiao-shien, Sectional Chief of Adjutants Office of the Military Affairs Commission, Lieut.-Col. Chiang Jui-chang, Aide-de-Champ, Hsiao Nai-hua, personal secretary to the Generalissimo, Tang Ken-liang, Special Service Agent and Capt. Mao Yu-li, Captain of body guards.

GEN. CHIANG GRANTED ONE MONTH LEAVE, RESTING AT NATIVE CITY

Gen. Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, has been granted one month leave by the National Government. He is now recuperating from his recent strain suffered in Sian in the Fang Lu Temple at Chikow, near Fenghua. As advised by his attending physician, Dr. James T. Cheng, the Generalissimo is taking a complete rest. The Generalissimo, who arrived at Fenghua from Nanking on Jan. 2, is being attended only by Dr. Cheng and Chen Pu-lei, C.E.C. member and his personal secretary. Immediately after his arrival, Gen. Chiang paid his respects to his elder brother, the late Chiang Hsi-hou, member of the Chekiang provincial government, who died on Dec. 29.

Many messages have been received at Nanking urging Gen. Chiang Kai-shek to withdraw his resignation from his posts. Prominent among the senders was Gen. Han Fu-chu, Chairman of Shantung, who asked the Generalissimo to reconsider his decision in the light of his position as the "guaradin of the state." Meanwhile, many other telegrams were received by the National Government from various Party and public organizations in Hongkong, Canton, Hangchow and Chikiang, urging the Generalissimo to retain his posts, which, they believe no other fitting man could capably shoulder. Representing Gen. Yu Han-mou, Pacification Commissioner of Kwangtung, to inquire after General Chiang Kai-shek's health, Li Hsun-huan, Director of the Political Training Department of the Fourth Route Army Headquarters, arrived at Nanking Dec. 31 from Shanghai.

RESIGNATION OF GENERAL CHIANG REJECTED BY CENTRAL EXECUTIVE COMMITTEE

Gen. Chiang Kai-shek, President of the Executive Yuan and Chairman of the Military Affairs Commission, submitted Dec. 29 his resignation from the two posts to the C.E.C. meeting, holding himself responsible for the Sian *coup d'etat* of Dec. 12 The Generalissimo's resignation was rejected. All the members of the C.E.C. Standing Committee present at the meeting rose as one man to request the Generalissimo to carry on, pointing out the extraordinarily meritorious services he has rendered to the Party and the nation.

Following is a free translation of the letter of resignation addressed by Gen. Chiang Kai-shek to the Standing Committee of the Central Executive Committee Dec. 29 :

"During my recent trip to the Northwest the Sian incident suddenly broke out on Dec. 12. My imprisonment had caused grave concern to the National Government as well as to the people. The mutineers not only had violated the discipline of the state but also shocked the whole world. Thanks to the emergency measures taken by the Central Government, the dignity of the state was upheld and the crisis was soon averted. But in spite of this, the discipline of the state and leadership of the highest military authority had been prejudiced, while the troops and civilians in Shensi had suffered unnecessary losses. Since I am leading the military forces of the country, I should set a good example for my fellow servicemen. It is apparent that my work failed to command the obedience of my followers; for otherwise the mutiny, which nearly resulted in the collapse of the foundation of the state, would not have occurred. To come to think of it, I should not shake myself of the charge of incompetence. I believe that the state should uphold its discipline. Only then could one's responsibility be established. Since I was ignorant of such a mutiny brewing and had failed to check it at its outbreak, which resulted in my subordinates taking such rash steps, I had not lived up to the sacred charge thrust upon me. Therefore, there is more reason why I should not stave off the responsibility. I sincerely hope that the Central Executive Committee will censure me for my negligence of duties. During recent years, both my health and my mind have failed me, I have committed many errors in discharging my duties. I should not have shouldered such a heavy load of responsibilities in the first place. After the Sian incident I am more conscience-striken and it is no longer fit for me to continue in office. I therefore respectfully request the Central Executive Committee to accept my resignation from the posts as President of the Executive Yuan and concurrently Chairman of the Military Affairs Commisiion. I further request the Central Executive Committee to immediately appoint some other competent man to take over my duties, so I may retire from active service and to await disciplinary punishment. In that case the discipline of the state will be upheld and my conscience may set at ease."

Madame Chiang Kai-shek ,wife of the President of the Military Affairs Commission, was decorated with the First Class Order of the Brilliant Jade, by the National Government on New Year's Day.

Important Party and Government problems arising after the Sian crisis will be discussed at the forthcoming Third Plenary Session of the C.E.C., according to Sun Fo, President of the Legislative Yuan. It was pointed out that the Second Plenary Session was held last July and it was therefore time for the convention of the Third Session in accordance with Party regulations. Mr. Sun further informed his interviewers that Gen. Chiang Kai-shek had decided to withdraw his resignation which had been rejected by the Government twice. He had been given one month's vacation.

Administrative changes in the government organizations are expected following the 3rd Plenary Session of the C.E.C. Feb. 15. Despite denials, T. V. Soong is still likely to be appointed President of the Executive Yuan, according to *Hwa Mei Wan Pao* Jan. 2.

CHENGTU AND PAKHOI INCIDENTS SETTLED

Culminating three months of diplomatic negotiations, an agreement for the amicable settlement of the Chengtu and Pakhoi affairs was reached at Nanking Dec. 30, according to *Domei*. The full text of the accord, incorporated in documents exchanged between the Japanese and the Chinese authorities, was announced in Nanking on the same day. It was simultaneously published in Tokyo. Provided for were :

An official apology by the Chinese government.
Punishment of responsible officials.
Punishment of those found guilty of the murders.
Payment of indemnity to the families of the victims.
The indemnity was handed to the Japanese authorities simultaneously with the exchange of documents.

The families of the two Japanese newspaper men, who were killed, and the two survivors of the Chengtu incident will receive a total of $98,887.10. The family of Junzo Nakano, killed in Pakhoi, was given $30,000. Noted are the execution of the two principals in the Chengtu affair, the punishment of four others and the dismissal of General Chiang Shang-pu, garrison commander of Chengtu, and Colonel Fan Tsung-shih, director of the Bureau of Public Safety.

With regard to the Pakhoi affair, the documents state that Gen. Oung Chao-yuan and Gen. Chiu Kuo-chen, who were responsible for maintaining peace and order to the time of the incident, "have been removed," while Col. Chen Chen, director of the Bureau of Public Safety at the time, was dismissed. The agreement consisted of notes exchanged between General Chang Chun, Chinese Foreign Minister, and Shigeru Kawagoe, the Japanese Ambassador.

The Japanese Consulate-General in Chengtu, closed since the Manchurian Incident, will be reopened "as soon as the Chinese

authorities complete the necessary preparations," a spokesman for the Japanese Consulate-General at Nanking declared Dec. 30, reported *Domei*.

A strong protest has been lodged by the Tsingtao Municipal Government with the Japanese Consulate-General at Tsingtao over the illegal flight of a Japanese plane over the city on Jan. 2. The protest was filed, it is explained, after it had been ascertained that the plane was an army machine, No. 140. The plane dropped numerous five-colored flags of "Manchukuo" and propaganda handbills, couched in the most misleading language.

SUIYUAN INVADERS FAIL TO "SPEND NEW YEAR DAY" AT KWEIHUA AS PLANNED

"The invading forces had originally planned to spend the New Year's Day of 1937 in Kweihua, but the present situation is much to the contrary. This fact alone gives us sufficient ground for a jubilant celebration of the occasion." Thus spoke General Fu Tso-yi, Chairman of Suiyuan, before a group of over 6,000 commanders and troops Jan. 1, who gathered at the parade ground to welcome the New Year. The nation-wide support to our resistance against invasion, General Fu emphasized, was eloquent testimony of the mounting patriotism of the people and the beginning of national rejuvenation.

A sum of $10,000 has been appropriated by the provincial government for emergency relief purpose in the war-stricken area while a separate sum of $1,500 has been set aside for similar purpose in Pailingmiao and Tamiao.

Gen. Yen Hsi-shan, Pacification Commissioner for Shansi and Suiyuan, in the weekly memorial service Jan. 4, suggested that a sign sense of responsibility should be the New Year resolution for 1937. Addressing the Government officials of Shansi and Suiyuan, Gen. Yen continued that the attention of the nation centered upon the two provinces in 1936. It was the conviction of the nation that the success or failure to liquidate the present critical situation in the provinces would decide the fate of the whole country. The acuteness of the situation has shown no sign of abatement with the advent of 1937, Gen. Yen said. The difficulties however can only be overcome by combined efforts of the officials of the two provinces, he concluded.

Wei Huai, Director of the Civil Affairs Department of the National Government, has telegraphed on behalf of President Lin Sen to Major-General An Yung-chang and Colonels Wang Tzu-hsin, Wu Tsun-i, Tsui Yang-yu and Chao Ko-lin, who have surrendered, commending them on their return to the Government fold and exhorting them to do their utmost in rendering loyal service to the country in the future. The surrendered bandits under An Huay-ting (An Yung-chang) have been reorganized into the 5th Independent Brigade, with Major-General An as Commander.

CONTRIBUTIONS TO SUIYUAN DEFENCE FUND TOTAL $150 MILLION

Up to date contributions from various quarters throughout the land for the Chinese troops defending Suiyuan against the "Irregulars" have reached $1,500,000, according to figures officially released at Kweihua. Both the northern and eastern fronts in Suiyuan remained quiet through the New Year holidays.

A steady influx of refugees from northern Chahar and eastern Suiyuan following the outbreak of hostilities has caused the population of Kalgan and Kweihua, capitals of Chahar and Suiyuan, respectively, to increase, according to reports made by the two provincial governments. The normal population of Kalgan was estimated at 70,000 and that of Kweihua around 150,000.

Major-Gen. Ma Yen-shou, commander of a cavalry brigade, who recently played an important part in the capture of Pailingmiao, was seriously injured in a motor car accident on December 28, reported *Central News*. The commander was travelling to Tamiao in the afternoon together with Fang Wei-hsing, magistrate of Wuchuan, when the car overturned.

Death has claimed the life of Major-General Wang Jen-kwang, Chief-of-Staff of the Second Calvary Division, who died at Pingtichuan on Jan. 2 following a brief illness. He was 42 years of age.

Several hundred retired servicemen of a "certain country" have organized a "dare-to-die" corps at Chapser to lead the forthcoming drive into Suiyuan, according to reports received at Kweihua Jan. 5. All eyes are now turned to Shangtu where elaborate defense works are being erected. According to one report, planes and tanks are being concentrated there preparatory to the general offensive on the eastern Suiyuan front. Feverish mobilization of "Irregulars" in Jehol and "Manchukuo" is going on in northern Chahar.

Sixty Chinese students including nine girls, all in their teens, have organized a "service corps" to go to Suiyuan to assist the provincial troops in fighting against the "Irregulars". The party arrived at Tungkwan Jan. 3 by train from Sian and called on Gen. Fan Sung-fu requesting that the corps be accorded traveling facilities and equipment to the "front".

A small number of red bandits has recently penetrated into Suiyuan from northern Kansu according to information received at Peiping Jan. 3. The Government troops, however, have already made necessary preparations to round them up.

A message from Kweihua states that a lull on the Suiyuan front continued throughout the New Year holidays. New Year greetings from Chairman Lin Sen were received there by the commanders of the irregulars who have joined Government forces. Meantime, it was reported that the irregulars under Wang Ying have now been reinforced by about 1,000 bandits. Wang is still the commander, with three regiment chiefs under him. It was further said that Wang's hordes, together with three regiments under Pao Yueh-ching and two other artillery regiments are now camping to the northwest of Shangtu.

VERACITY OF QUO STATEMENT ON WANG POLICY REFUTED BY FORMER WAICHIAOPU OFFICIAL

A statement in a *Reuter* message of Dec. 28 attributed to Quo Tai-chi, Chinese Ambassador in London, regarding Wang Ching-wei's alleged "policy of non-resistance to the Japanese," is considered by Li Shen-wu to be misleading, since Mr. Wang was one of the first Kuomintang veterans to denounce such a policy. Mr. Li (who held the position of Senior Director in the Foreign Office at the time Mr. Wang was President of the Executive Yuan and concurrently Foreign Minister), considers it unlikely that Mr. Quo could have described the policy of Mr. Wang as one of "non-resistance," since the present Ambassador in London was Political Vice-Minister of Foreign Affairs at the outbreak of hostilities in Shanghai in January, 1932, when Mr. Wang drafted his policy of armed resistance to aggression together with simultaneous diplomatic negotiation for an honorable settlement. To describe that policy as one of "non-resistance," said Li Shen-wu in an interview, would not be correct; and it is most unlikely that the Chinese Ambassador in London so described it, but possibly used other words which, in the subsequent process of compression for cabling, became converted into "non-resistance." Mr. Li suggested that the idea which Mr. Quo probably wished to convey to his interviewer was that Mr. Wang had been compelled, by circumstances over which he had no control, and at considerable sacrifice to his own personal feelings, to adopt an attitude in regard to Sino-Japanese relations which would allow him to carry out his policy of "reconstruction by unification" while at the same time avoiding a direct rupture and major hostilities at a time when China was not prepared for such a trial of strength.

Shanghai Mainichi reported Jan. 1 that it is most likely that after the return of Wang Ching-wei, Chairman of the Central, Political Council, General Chiang Kai-shek will remain as the Chairman of the Military Affairs Commission, and Mr. Wang will assume the post of President of the Executive Yuan. At the present time, the influence of the anti-Wang Bloc has greatly dwindled, as compared with that during the time when Wang, who was President of the Executive Yuan and Minister of Foreign Affairs, was suddenly sattacked by an unknown assassin, as a result of which he retired from all political activities.

According to *China Times*, Wang Ching-wei is due to arrive in Shanghai on the 14th this month. Following arrival, Mr. Wang is expected to proceed to Nanking to attend the Third Plenary Session, which will be opened on Feb. 15 in the Capital.

While China should continue to maintain peace she should spare no effort in strengthening her national defense in order to insure her own existence in the family of nations, declared Chu Cheng, President of the Judicial Yuan, in a speech at the weekly memorial service of the Central Party Headquarters, Jan. 4. The present year, Mr. Chu said, is called the "year of peace," but world peace is secured upon the international rearmament program, which is nothing but a "balance of power." Stressing the importance of providing the Chinese people with a stable living in order that the strength of the nation may be consolidated. Mr. Chu urged the Government to pay special attention this year to the promotion of water conservancy work and prevention of natural calamities.

Gen. Huang Shao-hsiung had a one-hour interview Dec. 29 with Gen. Chiang Kai-shek, President of the Executive Yuan, from whom he sought instructions regarding his new appointment as chairman of Hupeh. It is understood that Gen. Huang will proceed to Hupeh to take up his new office shortly.

The Ministry of Foreign Affairs has appointed Tung Teh-chien Charge d'Affairs to Austria. Liu Chung-chieh, Minister in Vienna, has been transferred to another post in the Waichiaopu, *Central News* reports.

On behalf of the German Government, Dr. Oscar P. Trautmann, German Ambassador to China, presented the German Olympia Decoration First Class to Tai Chi-tao, president of the Examination Yuan on December 30 in acknowledgement of the latter's merit in the 1936 Olympiad held in Berlin.

Confidential military information of troop movements should not be published in local newspapers and journalists were requested not to report on such news, according to a speech delivered before reporters and correspondents for Hongkong vernacular papers at Canton Dec. 31 by General Lo Cho-ying, commanding Nanking divisions in Northern Kwangtung, and acting commandant of the Whampoa military headquarters. Though not referring to foreign correspondents, General Lo said that cable reports to London, Paris or Moscow should follow the same instructions in keeping out stories of national defense and military secrets. He added that his Whampoa headquarters would give out more political and reconstruction news. Appreciation was also expressed to most Hongkong Chinese papers for their support of the Central Authorities.

Today these healthy Dionne Quins had Quaker Oats

Annette's Good Solid Weight
is a fine example of how children thrive, gain weight and strength on a daily diet of Quaker Oats

Dionne doctors solve cereal question for Mothers everywhere

● Money couldn't buy the expert medical advice showered on the Dionne Quins. That's why the choice of their cereal is so vital to every mother—it is *her* guide to the best that she can give to her own children—Quaker Oats.

Quaker Oats is extremely rich in Vitamin B—*nature's own natural tonic vitamin* that braces up digestion, nerves and appetite, does young and old a world of good.

A delicious serving of Quaker Oats every day puts pounds and inches on growing children. To adults it supplies a wonderful source of food energy. To young and old alike, it builds health and strength. Creates new vitality and vigour; fortifies against nervousness, constipation and poor appetite.

Follow the advice set for you by the famous Dionne Quins' specialists. Serve your entire family Quaker Oats every day. Easy to prepare—now cooks in 2½ minutes.

Photos World © 1936, N. E. A. Service

QUAKER OATS RICH IN NATURE'S TONIC VITAMIN for bracing-up Digestion, Nerves and Appetite

Prominent Foreigners Decorated by National Government on New Year's Day

Thirty prominent foreign personages were decorated by the National Government on New Year's Day.

Heading the list were Senor Manuel Quezon, President of the Philippine Commonwealth, M. le Baron Guillaume, Belgian Minister to China, Sir Arthur Salter, British economist, Jose de Macedo Soares, Brazilian Minister of Foreign Affairs, and V. Munters, Latvian Foreign Minister. President Quezon was given the Order of the Brillian Jade with Red Cravat and White Border, M. Marconi the Order of the Brilliant Jade with White Cravat and Red Border, Sir Arthur Salter the Order of the Brilliant Jade with Blue Cravat, M. Macedo Soares the Order of the Brilliant Jade with White Cravat and Red Border, and M. Munters, Order of the Brilliant Jade with White Cravat and Red Border.

Three leaders of International Civil Aviation were among the recipients of honors. They were: Herr Martin Wronsky, President of the German Lufthansa Company, Juanterry Trippe, President of the Pan-American Airways; and C. V. Whitney, Chairman of the Board of Directors of the Pan-American Airways.

Japanese Smugglers Try to "Fight It Out," But Are Defeated

A fist battle took place at Tsingtao Jan. 4, when Custom officers attempted to prevent Japanese (Korean) smugglers from unloading a large quantity of smuggled sugar from the *Dairen Maru*. The smugglers were finally defeated and the sugar detained. Another batch of 70 bags of smuggled sugar which arrived later in the afternoon aboard a Japanese vessel was also confiscated by the Customs authorities.

Japan's Warlords Discuss North China Policies—After Sian

BY C. Y. W. MENG 孟長詠

THE Sian revolt, staged by General Chang Hsueh-liang and General Yang Fu-chen, is now an event of the past. General Chiang Kai-shek, the Leader of the Chinese Nation, is now back to Nanking. For several days, the whole Nation vociferously celebrated and welcomed the return of the Generalissimo, and further promised him full-hearted allegiance and support. The prediction in my last article dealing with the Sian revolt that China would not be a second Spain and that the revolt would eventually be settled, not by arms, but by the simple mobilization of Chinese public opinion and nation-wide opposition against civil war proved to be quite correct.

Good Statesmanship

By coming together with General Chiang, by surrendering himself voluntarily to the Government "to await my punishment," by admiting that "I have committed a great crime," and by asking for "punishment befitting in severity the degree of my crime," the Young Marshal has indeed shown that he is a man who has lived up to the old teachings which provide that "a gentleman is a man who is ready to rectify his mistakes as soon as he realizes them." So, inspite of his past mistakes, we all forgive and pardon him!

By pleading for "leniency" before the Central Executive Committee of the Kuomintang and the National Government; and by further petitioning the National Government to grant "an extraordinary pardon" to Gen. Chang Hsueh-liang, the Generalissimo has not only also lived up to the old teachings of "generosity" in treating others, but has also shown his great statesmanship. We all love and admire our Leader, not only for his personal integrity, but also for his generosity and remarkable statesmanship!

By holding a trial promptly by a high Court-Martial, and by meting out a punishment of 10 years imprisonment for General Chang, which is quite adequate, China has shown that she is a country where "law recognizes no personnel," and where "law is supreme."

The settlement of the Sian revolt exemplifies the remarkable statesmanship displayed by Chinese politicians in playing politics—a sort of statesmanship which was apparently absent only a few years ago. In his departing speech in Sian, Gen. Chiang aptly expressed the idea when he said the present coup "is a calamity that may be easily turned into a blessing." But eventually it proved to be a blessing! National unity has become more of a reality than everbefore!

Japanese Again Meddling in Chinese Politics

But we must not forget the earlier reports that "apparently taking advantage of the mutiny in Sian, the invaders of Suiyuan are expected to launch a big counter-drive momentarily (see *The China Press*, December 17). There are many other tangible evidences showing that the Japanese are again "interfering" and "meddling" in Chinese internal political affairs. Mr. Arita, Japanese Minister of Foreign Affairs, in his message, even warned Hsu Shih-yin, the Chinese Ambassador to Tokyo, that "Japan would be unable to maintain its present 'benevolent wait-and-see policy' towards events in Sian depending upon the outcome of the present negotiations for a compromise between the Nanking Government and Chang Hsueh-liang.

Such declaration is most unfriendly to the Chinese and is most disturbing. Such interference, even though it be verbal, as it is at present, does not fall in line with the professed "sincerity" of Japanese statesmen in desiring China's cooperation. It is diametrically opposed to the correct attitude as adopted by such friendly Powers as the United States of America. It totally disregards Ambassador Kawagoe's recent advice to his Government and people to cultivate a "new concept" towards China. In the words of our evening contemporary, Mr. Arita "is placing his country in the part of a mischievous trifler in another's vital business."

Secondly, according to a *Tass* report, Ambassador Kawagoe not only put forward some demands on the Sian affair (which now become out of date, whether they are accurately reported or not) but also promoted plans for replacing General Chiang Kai-shek by Wang Ching-wei, as well as advocating civil war and otherwise making the National Government "a direct tool of Japanese policy in China". (*The Shanghai Evening Post*, Dec. 28).

In addition, there are other alarming reports from North China. According to a dispatch in the *Ta Mei Wan Pao* (a Chinese evening paper in Shanghai) dated Dec. 28, it stated that "since the settlement of the Sian Revolt, tension has suddenly been developed in the Japanese Garrison Forces in North China. For the past two days, meetings were held in succession to discuss the 'policies' towards North China and Eastern Suiyuan. It is reported that in order to take 'concerted actions' with the Japanese Kwantung Army regarding North China and Eastern Suiyuan, the Japanese Garrison Forces Headquarters despatched a high official (Chief of-Staff) to Changchun (now 'capital' of Manchukuo) for consultation. Today (Dec. 28) the Japanese military, naval and diplomatic authorities in North China had continued to hold another meeting, and what was decided is of very great importance. According to the observers, the Japanese militarists had never dreamed that the Sian Revolt could be settled on Dec. 25. So hereafter there must be a 'big change' in their policy!" Possibly, in view of the seriousness of the situation, Ku Ting-yuan, Secretary General of the Hopei-Chahar Political Affairs Committee, was despatched by General Sung Chi-yuan to come to Nanking to interview the high government officials on the situation.

According to the *Shun Pao*, dated Dec. 27, it was also reported that the Japanese militarists considered that as General Chiang is now out of danger, "all their plans are no longer 'fit'." So the Japanese Kwantung Army has also "abandoned" the plan of "expanding the organization of the Eastern Hopei Anti-Communist and Autonomous Government (under Yin Yu-keng)." The Japanese militarists further considered that owing to the sudden settlement of the Sian revolt, "a re-draft of 'foreign policy' is necessary," etc.

At present we do not know what were the Japanese "policies" which the Japanese officials and militarists had adopted previously towards North China and Eastern Suiyuan, when the Sian revolt broke out. Nor do we know now what are to be the Japanese policies after the settlement of the Sian revolt. But in the first December issue of *The Critic* (時論), No. 41, this Chinese journal published a brief outline of the Japanese "plans" regarding China. According to said journal, these plans were drafted by one Japanese Lieutenant-General, arising from the "firm attitude" of the Chinese in the Chang-Kawagoe negotiations, as well as the many declarations expressed by the Chinese papers in Nanking, Shanghai, etc.; and the quick responses from the provincial authorities. These plans were drafted and distributed for the attention of the Japanese staffs of the "Japanese Special Service" throughout China.

"A Quick War with China"

Under Section 1, regarding publicity work in China, the plans provided:

1. Employment of strong pressure to force the hands of the Chinese militarists, so that the Japanese could achieve "a victory without war";
2. to be careful not to use force to subdue the Chinese military forces, in order to avoid "unnecessary losses";
3. to exercise close supervision over the Chinese militarists to prevent them from being united, and from wakening up to jointly oppose Japan;
4. to strictly prevent the Chinese authorities from joining with other powers to oppose Japan;
5. to prevent Sung-Han (Generals Sung Chih-yuan and Han Fu-chu) from being united with Yen-Chang (Generals Yen Shih-sen and Chang Hsueh-liang) to form a united front to oppose Japan; and
6. to enlist more Chinese powerful elements, who are most afraid of the Japanese; and to give them more assistance to enable them to bring pressure on the anti-Japanese Chinese.

The plans then go on to lay down principles for "economic co-operation" in North China—too long to be re-produced here. Whether the Japanese "policies" which the Japanese militarists are discussing in North China are to be along these lines, we do not know.

But it is interesting to note that in one paragraph of the above-mentioned plans, there is the information from the Japanese Amoy Consulate to the effect that the Japanese militarists, after realizing that the Sino-Japanese negotiations could not go on smoothly, and the Chinese circles, having been influenced by the anti-Japanese military education, have all determined to oppose Japan; and further, the Chinese leader (possibly, meaning General Chiang Kai-shek—Ed.) has gone everywhere secretly to direct the construction of the national defence measures in preparation for war with Japan, concluded that a Sino-Japanese war is inevitable, so the Japanese Army and Navy Offices "unanimously" agree that "war should be quickly declared on China!" There should be no further procastination. Further, forces in the North-East (Manchuria and Jehol) should be increased, and the invasion of North China should be intensified, etc.

For those who are familiar with the situation in North China, they will know that the Japanese Kwantung Army wants to go on with military aggression in Suiyuan, while the Japanese Garrison Forces in North China, for one reason or the other, want to go on with "economic co-operation" with the Chinese. At one time, the conflict of policies became a serious problem. In our previous discussion (see "Japan Now Meeting Its 'Waterloo' at Suiyuan" by the same writer in *The Review* dated Dec. 19), under one sub-heading, we asked: "Would the Japanese Forces in North China also Act?" in response to the invasion of Suiyuan,

started and sponsored by the Japanese Kwantung Army. But now, from what is reported by our evening contemporaries, this question is answered in the affirmative. Further, our experiences also tell us that when a series of meetings of the Japanese militarists takes place, it generally anticipates that "another storm is coming!" So the Chinese predict and conclude that while we feel happy over the speedy and peaceful settlement of the Sian revolt, we could not but express our fear that there may be a sudden development in the Sino-Japanese relations, so long as the Japanese militarists intend to push forward with their "new policies in North China," or "a quick war with China", etc. Not only will we witness the intensification of military activities in Suiyuan, but, possibly, there may be some sparks which might set the whole conflagration going when the weather is getting warm in the North!

General Chiang Should Cancel His Resignation

Under such appalling circumstances, unparallelled in Chinese history or even in the history of any nation on earth, we urge earnestly that our Leader should not persist in resigning. In addition, he should quickly cancel his leave of absence, to work for the Nation and to steer the ship of State!

Secondly, in view of serious external aggression, we hope equally earnestly that through further efforts of the Chinese leaders, internal peace will be first achieved. In an editorial on "Shensi Communism," the *North China Daily News* (Dec. 29) concluded that " . . . . the Government may be well-advised to consider whether it cannot adapt its economic policy to some form of liaison with the communists, provided, of course, that its supreme authority is fully safeguarded . . . ." So we hope that it will be possible to find some means to settle the Chinese communist problem, other than by means of force.

We are not communists; nor are we pro-communists; nor are we reactionaries. We are purely patriots who are most anxious to see the cessation of warfare in the country, so as to enable us to devote our full attention and man-power to face the aggression from outside. We hope very earnestly that, on the one hand, the Chinese communists will soon surrounder to the government; abolish their secessionist movements, and stop their subversive activities; and on the other, that the Government will treat them not as communists but as ordinary criminals who committed crimes against the State before, but now repent; and that the Government may grant them pardon so as to give them a chance to be good citizens again. In this way, it is not a question of "joining the communists"; nor "admitting the communists," but it is a simple question of applying modern principles of criminology to criminals.

After all, the settlement of the Sian Revolt has dismayed the aggressor and the invaders. They are holding meetings now. What will happen, time alone will tell!

Nanking, January 2, 1937.

Turkey and Japan Negotiate for Renewal of Trade Agreement

Negotiations have been in progress recently between the governments of Japan and Turkey for revision of the Turkish-Japanese Trade Agreement.

The proposed new pact is regarded as little different from the present one.

Japan and Poland to Promote Friendship by Exchanging Students

The Tokyo *Hochi* Dec. 12 stated that the Japanese Government has decided to conclude a Cultural Agreement with Poland, a country whose political position is given much importance because the country adjoins the Soviet Union. The agreement is to be an arrangement in form between the University Federation and the International School Friendship Society (Kokusai Gakuyu-kwai) of Japan, an organ outside the framework of the Foreign Office aiming at exchange of students between Japan and foreign countries. In substance, however, the Japanese Minister to Poland (Dr. Nobufumi Ito) and the Foreign Office authorities of the Polish Government, entrusted with the work by their respective organizations, are to sign the pact on their behalf.

Lowe Chuan-hau Reports that Chinese in U. S. Warmly Support Nanking Government

Progress toward unification and modernization of China has won the Nanking Government a host of new friends among Chinese in the United States, according to Lowe Chuan-hau, who travelled 26,000 miles in American territories recently on behalf of the Famine Relief Commission. Mr. Lowe reported a "burning desire" among Chinese residents in the United States and its territories for a strong and unified China. He said that there is now a change of view even among those who long maintained an impatient attitude toward the Nanking regime.

His comment was widely circulated among Americans as well as Chinese in the United States by the *Chinese Christian Student* magazine, to which he disclosed his impressions.

I.D. EMULSION
OF COD LIVER OIL
五洲乳白魚肝油
海上五洲藥房發行

補虛療肺
強身健體
AN IDEAL NUTRIENT
INTERNATIONAL DISPENSARY
COR. FOOCHOW & HONAN ROADS
SHANGHAI

In the United States Court for China

In re.
Estate
of
BARNES MOSS
Deceased

Cause No. 4139
Special Proceedings
No. 2018
NOTICE
Filed at Shanghai, China,
December 15, 1936.
William T. Collins, Clerk.
L. T. Kenake, Asst. clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of BARNES MOSS, deceased, to present the same with vouchers to the undersigned on or before June 19, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

NORWOOD F. ALLMAN,
c/o Allman, Davies & Kops.
Hamilton House, Shanghai.

Shanghai, China.

Tung Oil Industry Faces Foreign Threat

BY WILLIAM LEE

THE rapid organization of tung oil (wood oil) plantations in the United States, the British Empire, Russia and South America threatens China's $30,000,000 tung oil export trade. As nearly 60 per cent of China's tung oil production is exported and as tung oil is China's leading export, amounting last year to 7.22 per cent of China's total exports, this threat is of tremendous importance to China's economic structure.

Sixty thousand acres of tung trees have been planted in the Southern United States during the last ten years. Plans have also been projected to expand the industry so as to replace the entire import from China. Authorities of the U. S. Department of Agriculture estimate that 50,000 to 100,000 acres of tung trees in full bearing will be sufficient to supply the present American market. This move in America alone constitutes an important threat as the United States buys from 60 to 75 per cent of all China's tung exports. According to China Customs statistics, China exported 491,999 quintals (one quintal equals 100 pounds) of tung oil valued at $28,582,248 to the United States last year. This constituted 67.47 per cent of China's total tung exports.

The British Empire, China's second best customer for this important element of paints and varnishes, is also pushing plans to make itself self-sufficient in regard to tung oil.

Some 7,500 acres of tung trees have been planted by Russia in the Caucasus Mountains in Georgia. The Russians plan to have 25,000 acres in cultivation by 1938. The South American countries are also developing domestic sources of this important industrial oil. Experimental plantings have also been made in Brazil, Netherland East Indies, Madagascar, Italy, Belgian Congo, Portuguese East Africa and Morocco.

World-Wide Efforts to Break China's Monopoly

These world-wide efforts to break China's monopoly on tung oil constitute an important threat to China's tung oil industry. The threat, however, will prove to be a boon if it causes China to improve its methods of production and marketing, and so capture part of the rapidly increasing market for tung oil. Industrial consumption in the United States increased by 70 per cent during the last four years. The demand is also growing in every other industrial country. But to capture this rapidly-expanding market, China must greatly improve her tung oil industry. Better methods of growth and production must be introduced to meet the standards of quality set by American manufacturers, China's largest customers for tung oil. Some steps have been taken by China to better conditions but much improvement must still be made to match the efficiency of the rapidly growing American tung oil industry. Under scientific care, tung trees in America produce larger yields and produce nuts for longer periods than trees in China. America is also using scientific methods of oil expression and refining that produce a higher grade of oil than the ancient Chinese methods.

The first successful plantings of tung trees in the United States were made from seeds sent from China in 1904 by L. S. Wilcox, United States Consul-General in Hankow. At the present time approximately 60,000 acres are planted to tung trees in six southern states, most of which are around the Gulf of Mexico.

Two varieties of the tung tree, *Aleurites fordii*, are planted in the United States. Although both of these varieties come from Chinese stock, several superior strains have been developed at the various government agricultural experiment stations.

Through the scientific development of better strains and better methods of cultivation, Americans have succeeded in greatly lengthening the period during which the trees bear nuts. In China the productive period ranges from ten to twenty years. The industry is not old enough in the United States to judge the average length of the productive period, but experts believe that it will be about twice the Chinese average.

The Department of Agriculture of Florida reported that under ordinary conditions an orchard of tung trees in full bearing will yield approximately thirty pounds of nuts per tree. In comparison, the average tung tree in Chekiang yields from five to six catties (seven to eight pounds) of nuts, according to a report in the *Chinese Economic Journal*.

Scientific methods of expressing the oil from the seeds have also been developed in America. These scientific methods are much better and more efficient than the ancient methods still prevalent in China. The yield of oil from the nuts is much higher.

The American tung oil industry is at present devoting much study to further improvements in milling procedure. Attempts are being made to develop machines that will hull nuts in the orchards so that only the hulled seeds need be transported to the mill. Much study is also being devoted to develop a solvent process by which chemicals will be used to extract oil from the seeds. Such a solvent process has proved successful in the extraction of oil from soy beans.

American industrial and agricultural leaders have lavished much care upon this promising new industry because of the growing demand in the United States for tung oil. It is recognized as an essential element of industrial varnishes and is gaining in importance as a constituent of rapid-drying enamels and paints. The exceptional quick-drying properties of the oil have assisted in speeding up the painting of industrial products, from automobiles to toy trains. Tung oil is also used in the manufacture of linoleum, oilcloth, waterproof fabrics and artificial leather. Many experiments

This airplane view shows one of the many tung oil plantations in the United States which threaten China's $30,000,000 annual tung oil export trade. Unlike the plantings in China, the tung trees are grown on large plantations under scientific care. This plantation in Mississippi, for instance, covers 4,000 acres.—*U.S. Department of Commerce Photo.*

are being made to test its values in other fields, ranging from adding luster to patent leather to deworming chickens.

Because of this growing popularity of tung oil, China's export of this product has increased steadily and rapidly. China exported almost five times as much tung oil in 1935 as she did in 1912. Last year's tung export trade was exceptionally prosperous. China shipped out 738,865 quintals last year as compared to 652,836 quintals exported in 1934. The increase in price was even greater, as the average price per quintal rose by $16.12. This raised the value of the total exports from $26,216,683 in 1934 to $41,582,879 in 1935, an increase of $15,366,195. This prosperity has been maintained this year, the exports during the first eight months of this year amounting to $53,480,883. This prosperity, however, has been due to several abnormal factors resulting in greatly increased prices. Among these factors are the business recovery in the United States and the storing up of supplies by European nations because of the tension, starting with the Italian-Ethiopian War.

Chinese Continue Efforts to Improve Industry

Recognizing the abnormal nature of the prosperity and becoming more and more cognizant of the development of tung tree plantings in foreign countries, the leaders of China's tung oil industry and Government officials are continuing their efforts to improve the tung oil industry.

One of the first steps in this direction was taken in 1929 when the National Government started to inspect tung oil destined to be shipped to foreign countries and established a set of specifications based on foreign requirements. These Government regulations

have greatly reduced the amount of adulteration of tung oil for foreign export. Much improvement has also been made in the handling procedure.

The Ministry of Industry announced this summer that it plans to establish two tung oil refineries in Hunan, one of the chief tung oil producing provinces in China. One refinery will be located at Changsha and the other in Changteh. The refineries will have a total capital of $2,000,000. If these two refineries prove successful, others will be established in other tung oil producing centers. Another refinery will be erected in Hankow, announced the Hupeh Reconstruction Commission and the Ministry of Industry in August. This modern refinery will have a capital of $150,000.

The Chekiang Bureau of Reconstruction secured a loan of $200,000 to be used to grant small loans to tung oil farmers, according to newspaper reports.

To centralize activities for the improvement of the tung oil industry and export trade, the China Vegetable Oil Refinery Company, Ltd., was launched this summer under the sponsorship of the National Government. This association was discussed in the June 6 issue of the *China Weekly Review*.

A three-point program for the development of the wood oil industry has also been drafted by the National Agricultural Research Bureau in Nanking. If these and further steps are carried out successfully to put tung oil production and marketing on a thoroughly modern and scientific basis, China, with her head start and plentiful labor, will be able not only to meet this rising competition, but also to expand her tung oil industry to supply a large share of the rapidly expending market for this useful industrial oil.

Shanghai, January 2, 1937.

Shensi Students Wish to Fight the Japanese

A total of 60 students, including nine girl students, arrived in Tungkwan on the night of Jan. 4 from Sian on their way to Suiyuan with the arvowed object of fighting the Japanese. The students, however, were strongly advised by the authorities in Tungkwan to return to their schools.

Large Number of Students Arrested in Peiping

More than 30 students were arrested by Chinese police in Peiping Dec. 25 for having attempted to stage a demonstration in support of the Sian mutiny.

Riot in Northeastern University in Peiping

A clash took place in the Northeastern University in Peiping Jan. 3 between members of the Students Association and another clique, resulting in several persons being injured. Chinese police, upon receipt of the information, were rushed to the scene and effected the apprehension of six ring leaders of the mob.

Non-Fortification Clause "Unfair" to Japan Says Admiral Suetsugu

Article Nineteen of the now-expried Washington Treaty was "unfair and unjust" to Japan in that it restricted the construction of fortifications in Formosa and the Bonin and Ogasawa Archipelagos, Admiral Nobumasa Suetsugu, fiery member of the Supreme War Council, said in Tokyo, Jan. 5.

While Japanese territory within a radius of 500 miles from Tokyo was thus affected by the clause, the Admiral declared, Hawaii, which was 2,400 miles from the American mainland, remained untouched.

The Article applied, insofar as American and British possessions were concerned, only to islands in the Pacific far away from their respective homelands, he remarked, asserting that here lay the reason why the Japanese Navy was opposed to the British proposal for the resuscitation and extension of the non-fortification clause, "unless the new agreement shows considerable modifications favorable to the Japanese viewpoint."

Socony-Vacuum Oil Co. Issues Valuable Road Map

Following the example of American oil companies in the United States generally of issuing road maps either of the whole country, or of sections of it, the Standard-Vacuum Oil office in Shanghai has issued an excellent road map in standard form of the four provinces of China closest to Shanghai, namely, Anhwei, Chekiang, Kiangsi and Kiangsu. The map of this district of China is contained on one side of the folder. On the other side there are sketch maps of Shanghai and adjoining cities. There is also a table showing the distances between some twenty odd cities in the area covered by the general map.

In the United States Court for China

In re.
LAST WILL & TESTAMENT
of
GEORGE HOBART NEWSOME
Deceased.

Cause No. 4147
Special Proceedings
No. 2026
NOTICE
Filed at Shanghai, China,
December 31, 1936.
William T. Collins, Clerk.
By E. J. Collins, Deputy Clerk.

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of George Hobart Newsome, deceased, to present the same with vouchers to the undersigned on or before June 9, 1937, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

Wiley Blaine Newsome
Yee Tsoong Tobacco Co. Ltd.
175 Soochow Road
Shanghai, China.

Shanghai, China.

CUSTOMS NOTIFICATION NO. 1559

The public is hereby notified that, in accordance with Government instructions, medicines are temporarily withdrawn from the list of goods for which, when moved inland, Conveyance Certificates or Sub-Conveyance Certificates and, if moved by rail, Customs Import Duty Proofs also are required (Customs Notification No. 1542).

CHU CHANG-NIEN,
Superintendent of Customs,
(PAUL BARENTZEN)
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 31st December 1936.

A UNIVERSITY EDUCATION

Study by correspondence in the quiet of your own home in Arts-Science-Commerce-Philosophy, leading to Bachelor and Post-Graduate degrees thru the American University, Chartered by the State of Delaware, U.S.A. Write for further information to:—Registrar, University Extension, P.O. Box 180, Kuala Lumpur, F.M.S,

A.B.C. PRESS, SHANGHAI

Printing
in all its Branches

Your work
should bear
our imprint

Poisoning the Fukien People

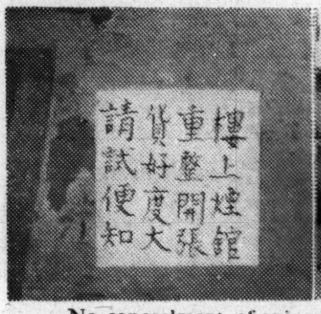
BY MA LEUNG

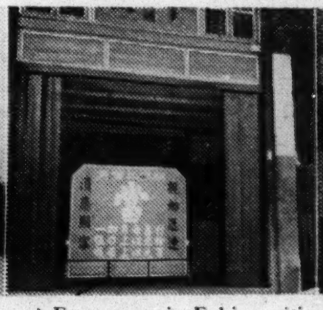
Foochow is quite a modern city. Its narrow streets have been widened to a great extent. Buses are running through the main thoroughfares. It is entirely different from the old Foochow. But if you walk to the back streets, you will see something which is more startling than a new Foochow. On the back streets there are numerous "yang hongs" (洋行) or "foreign firms" which are openly selling opium, morphine, and heroin to the people.

I went into a back street near Nantai, the commercial quarter of Foochow. Just one turn from the busy street, and I found myself standing before a "yang hong". It was like an ordinary residential house, only on the door was posted a piece of red paper with the following words: "New opium house. Good stuff served in full measure. Please come in and try."

On that short back street I found more than thirty opium dens like this. Going in and coming out of these places, I saw men who no longer looked like human beings. They were mere heaps of ashes. There was no life in their pale faces. These opium dens are opened by Formosans. The police can do nothing to them because they are under Japanese protection.

Besides these "yang hongs" I found on that back street another strange firm. It was a combination of hotel and pawn shop, a sort of "two in one". The hotel was running a "three-ring-circus"; it was a gambling den, a house of prostitution, and a drug store which supplied opium, morphine and heroin. If a poor chap found that he had used up all of his money through gambling, opium smoking or patronizing the prostitutes, he could easily get more money by pawning his clothes or other things. It was not even necessary to walk out of the building.





No concealment of opium and dope-dealing by Japanese and Formosans in Fukien cities—The picture on the left is a sign reading, "New opium shop upstairs—good products at full measure." The next picture is that of a hotel and restaurant which also serves as a house of prostitution and gambling institution. Next is a pawn-shop where victims of the dope habit may dispose of their worldly possessions for cash; redemption of articles must be in two months with interest rates at 10 percent. The picture on the right is that of another pawn-shop operated for drug-addicts in connection with an immoral hotel.

The business practices of these pawn shops are a shock to anyone. The time limit in an ordinary Chinese pawnshop is eighteen months, while the time limit in this kind of pawnshop is only two months. The monthly interest is ten percent. Just across the street is an auction house, and articles which have exceeded the time limit are quickly put into the auction house for sale.

I went into one of the "hotel-pawnshops". The entrance was very dark, and hidden in the darkness was the pawnshop. Its wooden bars and dim lights reminded me of the "torture chamber" of the middle ages described in various novels. An unlucky fellow was just standing before the bars, bargaining with a Formosan for his clothing. Lifting up a screen I went into the hotel and there I found three women, with their faces highly powdered, sitting at a square table. Undoubtedly they were prostitutes. There were four or five of these "hotel-pawnshops" on this little back street.

There is another form of "yang hong" called the "Money Lending House" (貸款所). These also charge very high interest. The whole process is called "Daily Cutting" (日割), which is definitely a Japanese term. For example a person borrowing thirty dollars actually gets twenty-eight dollars only in cash and is given thirty tickets. The daily payment is fixed by these tickets with very high interest. The interest piles up if but one daily payment is stopped. The borrower can be forced to sell his land and even his daughter in order to pay back his debt.

Formerly the Formosans did not dare to carry on these transactions openly; but now everything is different. This back street is not the only one of its kind. They are found in almost every region of Foochow City.

These "yang hongs" are set up for the lower middle class people, while on the main street there are big restaurants and dance halls for the upper middle class people. A Japanese flag is put up on the roof and consequently no policeman can go in to investigate or bother them. These establishments serve food, but they also serve opium and morphine, encourage gambling and provide prostitutes.

I went across Nantai to the ricsha-coolie quarter of the city. There I discovered one street where all of the houses are opium dens. They all displayed advertisements on red papers. Some of them read like this: "We supply the best opium. For every ten cents you get one ounce of opium. We also have recently employed beautiful modern ladies as our waitresses. So do not miss your chance." I saw many empty ricshas before these "red paper" houses. Doubtless their owners were enjoying the "best" opium or morphine together with the modern waitresses in these shops.

After touring around the "hell" of Foochow, I commented to my friends: "This is the cruelest method of killing a race." There is an old Chinese proverb which rightly describes this process "Killing people without shedding blood." Anyone who dropped into this trap would find it very difficult to pull himself out, unless it be through bankruptcy or death.

In Amoy I looked about and also found the same kind of "hell." However, "hell" in Amoy occupies better houses and most of them are on the main streets. But they are dragging the people into the mudhole just the same.

Why should one people be permitted to poison their fellowmen in this way? Is it not against humanity? Killing by machine guns and dum-dum bullets is preferable to this slow poisoning of the people. All humanity cries out against this death "inch by inch" which destroys not only the physical bodies but kills the souls of people as well. Something must be done to stop these nefarious practices immediately.

Foochow, December 31, 1936.

Foochow Celebrates Generalissimo Chiang's Release

(By the Review's Foochow Correspondent)

The return of Generalissimo Chiang to Nanking was enthusiastically celebrated at a large gathering in Foochow Dec. 26. At 10 o'clock a.m. no less than 100,000 persons assembled in the Public Playground (near the South Gate). Chen Yi, Chairman of the Fukien Provincial Government, presided at the meeting. Following an address by Mr. Che, two speeches were made which are worthy of attention: one by Dr. George W. Hinman, an American missionary connected with Foochow College, and another by Miss Chow Su-tin, a student of Hua Nan College, a missionary institution for girls.

Dr. Hinman first stressed that a nation needed an able leader. He went on to say that no leader could prove his greatness unless he had weathered many a storm and surmounted many an obstacle. He sympathized with the Chinese people at their anxiety over the imprisonment of Chiang at Sian and their rejoicing at his release; he saw the new meaning of Christmas to Chinese as Gen. Chiang regained his freedom on Dec. 25; he believed that the Sian affair tended to intensify the faith of Chinese in their leader; he felt confident that China would emerge stronger than ever from the crisis. He concluded by saying that the whole world, he believed, would rejoice at the news of Chiang's regaining his freedom.

Miss Chow, among other things said: "For two weeks, we have been in dreadful suspense about the safety of Gen. Chiang at Sian. Now that Gen. Chiang has regained his freedom, we are overjoyed—our happiness cannot be bought at any price. Today we come here to celebrate the return of Gen. Chiang to Nanking. It is altogether fitting and proper that we should do this. But we should go a step farther. We should do what we can for our country, and give what we have to our country; we should, under the leadership of Gen. Chiang, strive for the attainment of national unification, national recovery, national prosperity.....That Gen. Chiang is out of danger means that the entire nation is out of danger. Our prospects are bright..... Long live Gen. Chiang! Long live the Chinese Republic!"

In the evening, there was a lantern procession. The moon shone bright. It seemed as if the moon and lanterns were two rivals for brilliance.

Foochow, Dec. 30, 1936.

Drug Addicts Crowd Clinics for Cure So as to Avoid Punishment

As a result of the "Kill the Drug Addicts" drive to open on New Year's Day, hundreds of Nanking's poison consumers crowded the hospitals and clinics in Nanking during the last few days of the old year demanding for eleventh hour treatment in order to escape the death penalty which loomed larger and larger every day with the Government grimly determined to enforce the drug suppression regulations. In groups, these narcotic addicts also came to the capital from the surrounding villages and little towns, apparently having been thoroughly aroused by the intensified campaign during the last week in which all means to shake them out of their morbid disbelief were employed.

Wholesale Execution of Drug Addicts in Tientsin

Reuter says the Tientsin authorities have started off their new campaign against drug addicts and peddlers with a vengeance, according to the *Ta Kung Pao*, which said that in Jan. 2, in the Wuching district in Tientsin, 128 people, including robbers and drug addicts and peddlers, were executed by shooting. The death sentences, it was added, were carried out after appaoval had been obtained from the office of the Pacification Commissioner for Hopei.

A later message from Nanking stated that not a single narcotic drug manufacturer, trafficker, peddler or addict had been executed in China during the New Year holidays, on the authority of a high official of the Central Opium Suppression Commission. In making his statement, the official took exception of the rumors of mass execution of drug addicts in Peiping, Shanghai, and other leading cities.

While the Commission remains firm in its determination to carry out the new ruling, which provides capital punishment to morphine and heroin manufacturers, dealers, and addicts, it nevertheless is prepared to take a lenient attitude toward drug users who surrender themselves to the authorities for punishment and treatment. According to the official, Gen. Feng Yu-hsiang, Vice-Chairman of the Military Affairs Commission, is among the high Government leaders who advocate the enforcement of the new drug suppression ruling. One 62-year-old cousin of Gen. Feng, it is revealed, has recently cured himself of his 40 years' opium smoking habit. Based on this fact, Gen. Feng is convinced that any drug addict, irrespective of his age or the length of time during which he had indulged in the habit, can be cured.

Strict Punishment to Drug Makers and Traffickers, Central Suppression Official Warns

"We hope there will be no need for shooting", declared an official of the Opium Suppression Central Commission in Nanking Jan. 5 in commenting on the "death penalty" ruling for drug manufacturers, peddlers and consumers which went into force on New Year's day. He pointed out that so far there has been no executions of drug offenders in the country since Jan. 1, 1937. Leniency will be shown towards drug users, the official explained, who will surrender themselves to the police for treatment but he warned that drug manufacturers and traffickers will be executed as soon as they are caught.

Stringent Regulations Concerning Patent Medicines Announced in Nanking

The prohibition of the use of heroin is one of the main points embodied in the revised regulations governing patent medicines recently promulgated by the National Health Administration which is being enforced from January 1, 1937. The revised regulations stipulate that the quantity of narcotic drug used as an ingredient in any kind of patent medicine should not exceed 0.2% in the case of morphine, and 0.1% in the case of cocaine. When narcotic drug other than morphine or cocaine is used as an ingredient, the maximum quantity permissible shall be determined in separate cases by the National Health Administration. The use of heroin, the regulations provided, is not permitted.

It is further provided that a manufacturer or an importer of a patent medicine, after having obtained a sales permit from the Administration, shall report to the proper authorities as to which particular area where he desires to prepare or sell the medicine. The new rule prohibits the use of any obscene language or illustration in describing patent medicines. The compounding of all kinds of aphrodisiacs is also forbidden.

American Pilgrims En Route to Eucharistic Congress at Manila

The exodus of American pilgrims en route to attend the Eucharistic Congress at Manila from the United States began this week. The Most Rev. John J. Mitty, Archbishop of San Francisco, heads the western delegation of 300 coming on the *Tatsuta Maru*. The *Empress of Asia's* capacity list of passengers is largely recruited from New York and other eastern states.

Two Italian liners which called at New York this week are also carrying eastern pilgrims to Manila as a result of the cancellation of American ship sailings on account of the strike.

CUSTOMS NOTIFICATION NO. 1560

The public is hereby notified that in accordance with Government instructions all native-made foreign-style wine on which tax is not collected at the factory will henceforth be subject to the payment of wine tax and will require to bear tax stamps on the bottles and to be covered by tax-paid certificates when shipped from the place of production.

When such wine is passed through the Customs on exportation, importation, re-exportation, reimportation, or transhipment, a yellow application duly chopped by the Shui-wu Shu or the local wine and tobacco tax office, together with a covering Yüntan, must be handed in at the same time as the Customs Application.

Such wine will still be subject to interport duty, even though covered by tax-paid documents.

Reimportations from abroad of native-made foreign-style wine are not affected by the above provisions, but are liable to import duty in the normal manner.

CHU CHANG-NIEN
Superintendent of Customs.

PAUL BARENTZEN
Commissioner of Customs.

CUSTOM HOUSE,
Shanghai, 5th January 1937.

'B' Stands for Baby's Own Tablets.

These little tablets are the prescription of an eminent physician who made a special study of children and their ailments over a period of twenty years, and are entirely suited to their delicate internal organs.

Pleasant tasting and therefore easy to give, Baby's Own Tablets are guaranteed absolutely pure and free from any opiate or narcotic.

An ideal remedy for the health troubles of children, the first action of the tablets is gently to cleanse the digestive tract, removing any congestion therein; then they settle the stomach, aid digestion, promote healthy appetite. By their cleansing action they help to ward off colds, relieve croup, expel worms. At teething time they are specially helpful, as their action tends to ease the pains and induces restful sleep in a perfectly natural way. Obtainable at all chemists, Baby's Own Tablets are

THE HEALTH-SAFEGUARD YOUR CHILD NEEDS

Subscribe to

The China Weekly Review

$12.00 per year

New Soviet Constitution Veers Towards Democracy

Advices from Moscow state that the new Soviet Constitution, which is compared in the Russian capital to the Magna Charta and the French Declaration of Human Rights, was animatedly discussed for several months in all the factories, farms, and offices in the country, and all the delegates to the congress had been given authority to vote for it unanimously.

The congress will now cease to exist, for under the new Constitution the congress must abdicate all power to a democratically selected bicameral parliament, which will be called the Supreme Council of the U.S.S.R.

One chamber of this parliament will be called the Union Council. The new Constitution provides that it shall be popularly and directly elected, so that it should somewhat resemble the British House of Commons. The other chamber will be called the Council of Nationalities and will consist of representatives of the 150 nationalities of the Soviet Union. There will be no strict separation of powers into legislative, executive, and judicial departments.

The Supreme Council will elect a so-called presidium of 37 members who will act as a collective executive. The present disproportional representation of cities and villages is to be abolished. Under the present law 125,000 village electors are needed for one deputy, whereas it only requires 25,000 urban voters to make up one constituency.

Lenin explained this disparity by stating that at the time of the revolution the peasants were not politically—i.e., communistically—so advanced as the industrial workers, and it was feared that the former might overthrow "the dictatorship of the proletaria." Now 90 per cent of the peasants have been collectivised and become agricultural laborers, and the Communist party is, it is claimed, as firmly entrenched on the collective farms as in the factories. Hence it is felt safe to grant equal representation to the entire electorate.

Universal suffrage is also to be introduced. Even the clergy—hitherto treated as the pariah dogs of the country—are to be given the right to vote, although according to the Bolsheviks this is contrary to one of their constitutional principles in that the clergy are not considered to do any "work," "and work being the duty of every citizen, he who does not work should not eat."

Freedom of conscience is also promised in the new Constitution—namely, freedom of religious worship, speech, right of assembly, and press, but these provisions are not to be taken too literally and do not extend to capitalists.

The Soviet Commissar of Justice, Krilenko, states emphatically—

> "We will never allow the State property to be used against the Socialist system . Those who want to restore the capitalist system will get from our Constitution neither freedom of the press nor freedom of speech."

Moreover, while the right to teach religion to persons under eighteen is prohibited by special statute, atheism is to be taught in all schools.

The economic rights embodied in the new Constitution include the right to work, rest, and leisure, the right to maintenance in old age and also in cases of illness or incapacity.

Other liberal provisions provide against arbitrary action by State authorities and guarantee inviolability of person and freedom from arrest except by decision of a court. The citizen's home and the secrecy of his correspondence are also to be protected. Judges are to be elected by the people, and will be independent and subject only to the law. Law cases are to be heard in public unless otherwise provided by law, and the accused are to have the right of defense.

The new Constitution will be called the Stalin Constitution, and it is stated that Stalin himself has contributed most of the important articles.

Soviet Press Savagely Attacks Karl Radek, Under Arrest Since October

The Soviet press Jan. 5 broke the complete silence concerning Karl Radek, considered probably the most brilliant writer in Soviet Russia. The silence had been observed since the trial of Zinovieff, Kamenev and fourteen other leaders of the Bolshevist revolution on charges of counter-revolutionary activities. Radek was arrested in October on suspicion of implication in the conspiracy for which Zinovieff and his companions were executed. The leading Soviet newspapers now charge Radek with having been a member of an underground Trotskyist organization and with having conspired with M. Sokolnikoff, former Ambassador in London, who was arrested together with Radek in October, to restore capitalism in the U.S.S.R.

Chinese Comment on USSR-Japan Fishery Agreement

Commenting on the prolongation of the USSR-Japanese Fishery Agreement, an article appearing in the *Shih Chieh Chih Shih* (World Culture), Jan. 1 said: "Recently, Shigemitsu, Japanese Ambassador to Soviet Russia, several times called on the USSR diplomatic authorities, explaining the purpose of the Japan-German Alliance and urging them to sign the new Fishery Agreement at an early date, as if he were begging for a favor in a beggarly manner. Finally, the USSR diplomatic authorities consented to effect prolongation of the former Fishery Agreement for a period of one year. It is apparently not a real solution of the fishery problem between USSR and Japan, which is only a temporary remedial measure for the present situation, while the real problem has been shelved."

South Manchuria's New Capital-Raising Plan Opposed by Syndicate Banks

Ken-ichiro Sasaki, director of the South Manchuria, arrived in Tokyo Dec. 17 carrying with him the South Manchuria Railway Company's 1937 fiscal year budget in order to explain it to the Government authorities concerned and the S.M.R. syndicate banks underwriting the S.M.R. debentures and ask for their understanding.

According to the budget, the S.M.R. wants to issue debentures to the amount of more than Yen 120,000,000, or a rapid raise of more than Yen 40,000,000 over the amount for which the syndicate banks gave their consent last year.

The syndicate banks maintain that in view of the present tight conditions in the debenture world of Japan the Japanese Government and South Manchuria Railway Company authorities should exercise caution in handling the S.M.R. debenture issue plan.

The S.M.R. syndicate banks further take the stand that as adoption of unprofitable enterprises by the S.M.R. would injure the public confidence in the company, the syndicate banks have to reject these unprofitable enterprises absolutely. The syndicate banks also assert that the Government should accommodate those funds needed for unprofitable national policy enterprises, especially so under the present financial and debenture world situation.

Oriental Development Company to Reorganize Syndicate Body

The Oriental Development Company, in accordance with the policy of its new president, Yunosuke Yasukawa, is expected to extend considerably its positive activities extending far overseas besides Korea and Manchuria. At present the relations between the Oriental Development Company and its banking syndicate are lacking in smoothness and it often happens that despite the existence of the syndicate banks the Oriental Development Company gives rise to issues by receiving accommodation of funds from other quarters. Thus it is anticipated that reorganization or readjustment of the banking syndicate will become the pre-requisite step towards business expansion.

Mr. Yasukawa, the new president (according to *Tokyo Jiji*) is expected to revise the articles of the Oriental Development Company so as to provide for the company undertaking marine enterprises. The program of marine enterprises under contemplation of the new president is quite extensive and his positive policy can be gleaned from this standpoint too.

Manchukuo May Introduce Conscription System

With a view to improving Manchukuo's army, the Hsinking War Ministry has begun to examine the possibility of enforcing a conscription system, replacing the present mercenary system. Under the present plan, a conscription law will be enforced following the compilation and promulgation of the nationality law, when all Manchukuo youths of the age of 20 will be examined for conscription. Those who pass the examination, as far as their domestic circumstances permit, will be enlisted in the Manchukuo army for a term of three years. Upon expiration of their compulsory military service, they will be incorporated into the Reserve Army.

Japanese Colonel Urges Fellow Countrymen to Drop Superiority Feeling Toward Manchurians

Colonel Kanji Ishihara of the Japanese General Staff, on returning to Tokyo from a trip to Manchukuo recently, urged the Japanese in Manchuria to throw off their superiority feeling toward Manchurians, adding: "In case Manchukuo becomes very good, the China issue will solve itself; Japanese officials in the Manchukuo government are not settling in Manchuria but want to return to Japan after making money; this is to be corrected, for they have to co-operate with those among whom they live. The Manchukuo army is being developed into a real army."

Manchukuo Budget Includes 18,764,000 Yuan for "Maintenance of Peace"

The revenue and expenditure budgets of the Manchukuo Government for the 1936-37 fiscal year are equalized at 246,198,000 yuan, showing an excess of 28,690,000 yuan over the previous, it was announced in Hsinking Dec. 26 by the Manchukuo Government.

The ordinary accounts for the coming fiscal year amounts to 216,310,000 yuan, the Government announcement further stated, while the extraordinary accounts total 36,466,000 yuan. Both the ordinary and extraordinary accounts represent an equal increase of 10,296,000 yuan, it was further stated. The estimated revenue includes 211,631,000 of ordinary income, of which main items comprise 153,029 from taxes, 44,367,000 yuan from monopoly enterprises and 9,097,000 yuan from stamp duties. Extraordinary revenue is estimated at 36,466,000 yuan. The Government expenditures for the next fiscal year are estimated at 248,098,000 yuan which consists of 119,112,000 yuan of ordinary expenditures and 128,986,000 yuan of extraordinary outgoings. The estimated ordinary expenditure for the next fiscal year show a decrease of 15,210,000 yuan as compared with the previous year, while the extraordinary expenditures are 43,914,000 yuan over the previous year. The budget estimates for new enterprises for the coming fiscal year include 17,034 yuan for conditional defence equipment: 18,764,000 for maintenance of peace and order; 15,832,000 yuan for industrial development; 2,571,000 yuan for cultural development; 5,135,000 for welfare works; 2,991,000 to finance abolition of extraterritorial rights in the new States; 3,390,000 for loan service and tax collection expenses; and 7,443,300 for miscellaneous purposes.

Japanese Capital Adopts Hesitant Attitude Towards Manchuria

Dr. Paul Schwarz, former German Consul in New York, writing in the *New York American* Oct. 18 called attention to the fact that one of the features of Japanese penetration of Manchukuo has been the infiltration of Nipponese capital. Amounting to 1.9 billion yen at the time of the "Incident," Japanese investments have by now reached an approximate total of about 2.7 billion. Yet, leading financial circles of Tokyo and Osaka have lately counselled a policy of caution with regards to the further pumping of capital into Manchukuo. Note is made of the fact that Japanese capital has taken—at least temporarily—a somewhat hesitant attitude towards the Manchukuoan investment market, while other foreign investors have during these years removed the bulk of their holdings from the country.

Matsuoka Hopes to See Japanese Flag on Ural Range

An *Asahi* special dispatch from Moscow Dec. 21 stated that the Soviet papers attacked a speech made by Mr Matsuoka, of the South Manchuria Railway Company. Matsuoka, it was alleged, in addressing those gathered to celebrate new railway construction, had declared: "It is my hope to hoist Japanese flags on Ural range."

Japanese Colonel Killed in Battle in Manchuria

Colonel Kodama was killed in battle in Manchuria during the first half of December, according to the Tokyo *Nichi Nichi* of Dec. 12, which stated that he had left for the front after fixing his grave.

Japanese Gunboats Make Surprise Visit to Kiangsu Ports New Year's Morn

A fleet of more than 10 Japanese gunboats appeared at Yanglinkow, Tsiyakow and Tapangkow off the coast of Taitsang, eastern Kiangsu, (about 30 miles from Shanghai) at 2 a.m. on New Year's Day, according to a telephone report from the Taitsang Bureau of Public Safety. Anchored some distance off the coast, the Japanese vessels directed their gun fire towards the shore for half an hour. Upon receiving the alarm, all armed forces at Taitsang (according to *Kuo Min*) were mobilized but refrained from returning fire. The warships left for up-river a few hours later. At 10 o'clock the same day, another fleet of more than 10 Japanese gunboats appeared outside Hupukow and Yehmaokow along the coast of Changshu, eastern Kiangsu. The guns were directed towards Yehmaokow for half an hour.

Reuter's correspondent, in reporting the incident, said that investigations in Japanese circles had brought forth the suggestion that the Japanese gunboats were either conducting target practice, or possibly they had been fired on and were retaliating.

Later reports failed to confirm that the Japanese gunboats fired any shots.

PAINTS AND PAINT WORK

H. B. CAMPBELL

1481 Bubbling Well Road

Phone : 34360

A WOMAN'S TRIALS *at middle age*

There is not a woman anywhere, married or single, rich or poor, about the age of forty, who is not perturbed at the thought of the next few years before her.

The changing conditions of existence would alone be enough to cause a certain wistful regret, even if they passed without any suffering of mind or body. But every woman fears the miseries that often develop at this age. She fears them all the more for their uncertainty. Often the first sign is not recognised at all—a certain irritability of temper, a low-spirited depression which the patient does not attribute to its true cause until bodily suffering in the shape of violent headaches, back pains, and palpitation give an unmistakable warning.

These sufferings are not unavoidable. During the last few years more and more evidence has been accumulating to prove that the new, rich blood which Dr. Williams' Pink Pills make is able to carry a woman in the most wonderful way through the ordeal of the "forties" without suffering or danger. Thousands of women have found these pills the means by which new health and a brighter outlook on life were gained; they will do the same for you.

Begin Dr. Williams' Pink Pills; sold by chemists everywhere.

Dr. Williams' PINK PILLS

"A HOUSEHOLD NAME IN 54 COUNTRIES"

The National City Bank of New York, Rates of Exchange

Shanghai, Jan. 6, 1937

Demand selling rate on America:	U.S. $1.00=Sh. $ 3.36
Demand buying rate on America:	U.S. $1.00=Sh. $ 3.34
Demand selling rate on London:	£1.0.0=Sh. $16.58
Demand buying rate on London:	£1.0.0=Sh. $16.44

Tension in Japanese Cabinet—Opposition to Foreign Policy

Faced on all sides by hostile critics, Foreign Minister Hachiro Arita will appear before the Diet late this month to defend his policies. Mr. Arita, *Domei* learns from authoritative diplomatic circles, will decline to meet representatives of parliamentary parties in a secret caucus, on the ground that such a step might be misunderstood abroad.

Especial stress will be laid by the Minister, according to these quarters, upon Japan's relations with Soviet Russia, China and Germany.

The Japanese Goverment, Mr. Arita is expected to say, will continue to maintain an attitude of watchfulness in China, urging the Central Government to act in accordance with the proposals contained in a note submitted by Ambassador Shigeru Kawagoe to Gen. Chang Chun, Foreign Minister, at their eighth interview last month.

Mr. Arita will also, according to these circles, assure the Diet that he would continue to urge the Soviet Government to sign the already-initialled Fisheries Convention before the expiration of this year.

Referring to the German-Japanese anti-Comintern pact, signed in Berlin on November 25, Mr. Arita is expected to parry the charge that the agreement aimed at the formation of a Fascist bloc by declaring that any other country is free to join the two signatories of the accord. Mr. Arita is further expected to attack the Comintern for its alleged efforts to destroy the existing political systems in co-operation with the "pink" Second Internationale.

Tension within the Japanese Cabinet increased considerably during the New Year's holidays. The first session of the Cabinet in the new year was due to be held Jan. 8, when a defence of the Cabinet's foreign policy was formulated for presentation to the Diet on Jan. 21, the date the legislative body will resume meetings. The Minseito and Seiyukai parties are co-operating actively in preparation for an attack on the Cabinet's foreign policy.

Perturbed by the rapidly rising tide of attacks upon the Cabinet, members of the House of Peers Jan. 4, expressed their support of Premier Hirota, on the ground that no statesman could be found to succeed him. Political observers in Tokyo profess to see indications that the Fighting Services would succeed in pushing through the Diet the Yen 3,000,000,000 budget, more than 46 per cent of which will be devoted to national defence.

Japan's Adverse Balance for the Year About Yen 200,000,000

Advices from Japan stated that it was extremely difficult to estimate the final balance of Japan's overseas accounts. The Japanese press, however, is inclined to think that it will show a payable balance of approximately Yen 200,000,000.

The visible trade up to December 10 showed an adverse balance of Yen 140,000,000. Assuming that there will be an import excess of about Yen 20,000,000 for the remaining three weeks, the final result of the visible trade will be an adverse balance of about Yen 160,000,000. The invisible trade is expected to register an adverse balance of approximately Yen 45,000,000 as in last year.

Among the main items of the payable accounts of the invisible trade are (1) investments in Manchuria, (2) investments in North China, (3) part repayment of the £6,000,000 old S.M.R. loan, (4) part payment of the C.E.R. transfer amount and (5) the payment of patent fees, etc. The C.E.R. transfer payment is about the same as last year, while the S.M.R. Sterling loan repayment this year is likely to show an increase. It is a well known fact that Japanese cotton millowners have built a number of mills in North China. In addition to payments relative to the purchase of patents including the German patent for a coal hydrogenation process, the transfer of the Columbia Gramophone Company and the G.E. Company undertakings must be taken into consideration. After all, it was believed that special overseas payments this year will be much heavier than last year when the total was put at Yen 230,000,000.

Convertible Notes of Bank of Japan at Year-End Reach About Yen 2,000,000,000

The note issue by the Bank of Japan on Dec. 26 jumped to a figure between Yen 1,760,000,000 and Yen 1,770,000,000 due to an increase of loans extended and deposit money drawn by some Yen 50,000,000. The note issue increased in the nighborhord of two billion at the year-end.

American Manufacturers' Representatives on Way to Japan for Textile Conference

With the avowed aim of obtaining a pledge from Japanese industrialists that they will restrict their inroads into the American cotton textile market, six United States leading manufacturers led by Cladius Temple Murchison, president of the American Cotton Institute, a mission was due in Yokohama in the mv. *Chichibu Maru* on Jan. 8 to attend a round-table conference with leaders of the Japanese textile industry in Osaka on January 13.

Japanese industrial circles attach much importance to the outcome of the meeting, which, they hold, will determine whether or not international economic relations can be satisfactorily settled by the conference method before they near a critical competitive stage.

O.S.K. to Control New Ship Line—Strong Competition Foreseen with N.Y.K.

Competition between the Nippon Yusen Kaisha, Japan's leading shipping firm, and the Osaka Shosen Kaisha, its strongest rival, will assume new proportions this year by the latter's recent acquisition of a controlling interest in the Kokusai Kisen Kaisha. The Kokusai Kisen Kaisha owns ten motor-freighters of the latest design valued at Yen 30,000,000, in addition to twenty freighters of older design of a book-value of Yen 15,000,000. The firm's annual income was estimated by experts at Yen 25,000,000 and its profit roughly put at Yen 300,000.

Deadline Brings Increase in Japanese Mill Spindles

Seeking to complete installations by Dec. 31, when a virtual ban on further machinery increases went into effect at midnight, Japanese cotton mills set up 606,272 spindles during the last month of 1936. The brings the total number of installed spindles to 11,798,344, an increase of 1,501,816 in one year. Under the terms of a resolution of the Cotton Spinners' Federation, no new spindles are to be installed in 1937. In spite of this phenomenal increase in available equipment, large units of Japan's cotton textile industry are threatened with a virtual halt in operation because of a lack of labor to operate the machinery. With inflation, caused principally by the huge rearmament program, bringing high prices for silk cocoons and rice, Japanese farmers are reluctant to let their able bodied sons and daughters seek their fortunes in industrial centers. In addition, the recent increase in rayon mills, which pay slightly higher wages than the cotton factories, has caused a shortage of workers in the cotton textile industry. About 120 male and women workers are required to attend 10,000 spindles in modern cotton factories in Japan.

Japan Raises Import Tariff Rates on 692 Commodities

The Japanese Tariff Commission Dec. 22 decided to change the Customs Tariff Law affecting 964 kinds of articles out of a total of 1,610 kinds. Articles subjected to raises number 692. Those articles for which duties are newly created number 62, while those for which the duties are reduced number 210. A total of 646 articles remains unaffected.

Customs duties are to be raised on mineral oil, automobiles, internal combustion engines for automobile and bicycle purposes, special steel, pulp, woollen textiles, celluloid, perfumes and other chemical industrial goods, clocks, clock parts and other precision industrial goods and staple fibre, etc.

The increase of revenue arising from the present revision is expected to be some Yen 35,000,000 in the 1937 fiscal year, or an increase of more than 22 per cent of the revenue under the present rates.

All Robert Dollar Boats Tied Up as Result of Shipping Strike

The paralysis of the Dollar Line, one of the most important mercantile fleets in America, became complete Dec. 30 when the *President Harrison*, on returning from a cruise round the world, was ordered to tie up in company with the remaining thirteen vessels of the Company's fleet in New York City. Officials of the Company declared that this was the first time in thirteen years that none of its ships were en route to the Far East or cruising round the world.

Edward F. McGrady, assistant Secretary of Labor, who had been on the west coast for several months in an attempt to terminate the paralyzing maritime strike, announced in San Francisco, Dec. 30 that all efforts to negotiate a settlement of the walkout had ended.

Dollar Line Denies Withdrawing from Pacific; Resumption After Strike Declared

The *Tokyo Asahi* Dec. 13 printed a telegram from Los Angeles, stating that R. Stanley Dollar, president of the Dollar Steamship Company, had issued a denial of a report that the Dollar Line would close its Kobe office next spring, withdraw its service from the Pacific and place the present vessels on the Pacific on the Atlantic service.

Mr. Dollar stated that as soon as the strike is over, the Dollar's business will be resumed.

The *Tokyo Asahi* Dec. 11 stated that the news had been circulated in Yokohama that the worldwide depression and protracted maritime strike have forced the Dollar Steamship Company to withdraw its shipping business from the Pacific. The Dollar Line, it was mentioned, had closed its Tokyo branch in March this year to carry out radical economiy of expenses.

Who's Who in China

Tsen-hwang Shaw, zoologist and university professor; born at Chuki district, Chekiang, 1899; graduated from Government Teachers' College, Nanking, 1920; received the degree of B. S. in Zoology from National Southeastern University, Nanking, 1923, and A. M. from Stanford University, California, U. S. A.; studied in the Museum of Vertebrate Zoology at University of California, Museum of Comparative Zoology at Harvard University, American Museum of Natural History at New York, and U. S. National Museum at Washington, D. C.; taught Vertebrate Zoology, Comparative Anatomy, and Vertebrate Embryology at Tsing Hua University since February, 1928; professor of Zoology at the Fan Memorial Institute of Biology since October, 1928; visiting museums at Berlin, Paris, and London (on leave), 1937; Fellow, California Academy of Sciences, U. S. A.; Fellow, Peking Society of Natural History (Councillor, 1934-1937); member, Zoological Soceity of China (Secretary, 1935-1936); member, Science Soceity of China, member, Geological Soceity of China, and Editor of *the Chinese Journal of Zoology* (1924-); author of 'The Birds of Hopei Province' and some forty short scientific publications; address: Fan Memorial Institute of Biology, Peiping.

黃振壽
Tsen-hwang Shaw
(Shou Chen-huang)

黃振壽，字理初，浙江諸暨人。南京高師畢業，東南大學理科學士，美國斯丹佛大學理科碩士。曾在加省大學脊椎動物學院，哈佛大學比較動物學院，紐約天產博物院，及華盛頓國立博物院等處研究。現任靜生生物調查所教授動物學及清華大學動物學講師，今年休假赴歐洲各大博物館研究。美國加省科學院特會員，北平博物學會特會員及理事，中國動物學會會員及編輯，中國科學社會員，中國地質學會會員。著有英文河北鳥類誌二巨册，及其他科學論文約四十篇。通信處：北平文津街，靜生生物調查所。

Official Explanation of Abortive Hanging

An official statement by Sir John Brenan, British Consul General, in connection with the abortive execution of Atma Singh, contained the information that the commission of enquiry was satisfied that the rope was cut by the comparatively sharp edge of the steel girder to which it was attached, and that there had been no wrongful tampering with it. Atma is in the meantime recovering. Although he suffered a concussion of the head he has complained mostly of having a stiff neck. Reports from the police hospital give the information that Atma's appetite has returned to normal.

WHO'S WHO IN CHINA—5th EDITION

Contains more than 1,500 biographies of Chinese leaders in Government service, Private Commercial and Professional Life. Price $10 a copy, including postage, in China or U.S.$5 if mailed abroad. Send orders with check or postal order to

THE CHINA WEEKLY REVIEW
160 Ave. Edward VII, Shanghai.

CHINA UNITED PRESS PUBLICATIONS.

THE PEOPLE'S TRIBUNE: a fortnightly journal of fact and opinion about China and other Countries: Annual Subscription—China $8.00; Abroad G. $5.00; Malaya $8.00 (Str.).

"CHINA RECONSTRUCTION" SERIES:

1. The Ministry of Communications
2. China's Leaders and Their Policies
3. Education in China

China $0.20; Abroad G. $0.20; Malaya $0.20 (Str.) per copy.

"CHINA TO-DAY" SERIES:

1. SUPPRESSING COMMUNIST-BANDITRY IN CHINA (2nd Ed.) Illustrated.
   China $3.30; Abroad G. $1.50; Malaya $2.40 (Str.).
2. CHINA'S PROBLEMS & THEIR SOLUTION, by Wang Ching-Wei, (French Edition only left).
   China $4.80; Abroad G. $2.50; Malaya $3.60 (Str.).
3. RECONSTRUCTION IN CHINA, with 134 Illustrations and 3 Maps.
   China $15.30; Abroad G. $6.00; Malaya $12.00 (Str.).
4. THE PUPPET STATE OF "MANCHUKUO".
   China $6.30 Abroad G. $3.00; Malaya $4.80 (Str.).
5. THE CHINESE RAILWAYS, By Cheng Lin,
   (Out of Print; 2nd Ed. in preparation.)
6. THE NEW SOCIAL ORDER IN CHINA, By T'ang Leang-Li,
   China $8.80; Abroad G. $3.50; Malaya $6.80 (Str.).
7. CHINA FACTS AND FANCIES
   China $7.80; Abroad G.$3.00; Malaya $6.00 (Str.).
8. CHINA'S NEW CURRENCY SYSTEM, By T'ang Leang-Li,
   China $5.30; Abroad G. $2.00; Malaya $4.00 (Str.).

(Other Volumes in Preparation.)

All the Above Prices Include Postage.

CHINA UNITED PRESS, 299 Szechuen Road, Shanghai. Agents in Malaya, Aw Brothers, Ipoh, F. M. S.

Men and Events

M. Speelman, managing director of the International Savings Society, is due back in Shanghai on Jan. 22 from a business trip to Europe.

Dr. C. T. Wang, Chinese Ambassador-designate to America, proceeded to his native town, Ningpo, Jan. 21, to attend the funeral of his father-in-law.

A branch of the Bank of Chosen was formally opened in Tientsin on January 1. The Chosen bank will also establish a branch in Peiping in the near future.

W. M. Kirpatrick, representative in China of the Export Credits Guarantee Department, is expected to arrive in Shanghai on Jan. 11, aboard the s.s. *Rawalpindi*.

Tung Teh-chien has been appointed Charge d'Affaires to Austria. Gen. Liu Chung-chieh, Minister in Vienna, has been transferred to another post in the Wrichiaopu.

General Chang Chun, Minister of Foreign Affairs, who arrived in Shanghai on New Year's Day, proceeded to Mokanshan Jan. 4, to visit the tomb of his friend General Huang Fu, recently deceased.

Peter Clear, younger son of A. C. Clear (formerly general manager of the Shanghai-Nanking Railway,) was ordained deacon by the Bishop of London, in St. Paul's Cathedral, on Sunday, Dec. 20.

H. Phillips, until recently British Consul-General at Canton, who will be on a six-month home leave at the end of this month, is expected to come here from England next August to assume his new post as Consul-General in Shanghai.

C. Cavalli, inspector for the Societa Anonima Fiat (prominent Italian concern manufacturing munitions and automobiles) in the Far East, departed from Shanghai for Italy this week on business. He will return to Shanghai some time around the end of March.

The Executive Yuan, at its weekly meeting Jan. 5, decided to petition the National Government to formally commend Ma Hsiang-po, 98-year-old Catholic leader, for his contribution to the development of higher education in China.

A memorial service for the late N. E. B. Ezra, editor of *Israel's Messenger*, (who died in Shanghai Dec. 3) was held at the Ohel Rachel Synagogue, Seymour Road, on the evening of Jan. 3. Addresses were delivered by Rabbis Mendel Brown and M. Z. Ashkenazi.

K. Fukagawa, wife of one of the two Japanese newspapermen murdered by a mob in Chengtu on August 24, departed from Shanghai for Japan January 6, accompanied by her two young children; also taking with her an urn containing the ashes of her husband.

The betrothal was announced New Year's Day of Miss Dorothy Yen, younger daughter of Dr. and Mrs. F. C. Yen, to Franklin Lieu, son Mr. and Mrs. O. S. Lieu. Mr. and Mrs. O. S. Lieu gave a luncheon party in their residence and Dr. and Mrs. F. C. Yen entertained at a dinner at the New Asia Hotel, to announce the happy event.

The death occurred in Tientsin Jan. 2 of Lin Shih-tseh, Director of the Finance Bureau of the Peiping Municipal Government. The late Mr. Lin, a native of Tientsin, was 42 years old, and had held the following posts: Director of the Second Special Area, Tientsin, Tientsin Customs Superintendent, and Director of the Tientsin Office of the 29th Army.

Speaking at the annual meeting of the P. & O. Steam Navigation Co. in London Dec. 9, Alexander Shaw, the chairman called attention to the fact that whereas 40 years ago the trade between Bombay and Japan was entirely in British hands, the Japanese had pushed British shipping so hard that they now control 80 per cent or more of the freight in both directions. Mr. Shaw also mentioned that Britain did not have enough shipping to meet war needs, whereas the Japanese have ship tonnage double that of peace-time needs.

The death occurred in Shanghai Jan. 5 of Tse Tsok-kai, Vice-President and General Manager of Western District Power Company of Shanghai, Federal Inc., U.S.A. Mr. Tse was born at Canton in 1886, and went to high school at Hongkong. After graduating from high school, he proceeded to the United States to complete his education at the Massachusetts Institute of Technology, where he took his D.S. degree (Mining Engineering) in 1908 and his M.S. degree in 1909. Since returning to China he had held many important positions. He was a member of the American Club, the Shanghai Chinese Engineering Club and the Tech Club, M.I.T.

The death occurred in Shanghai suddenly from pneumonia Jan. 4 of J. B. Lee, secretary of the American University Club of Shanghai. The late Mr. Lee, who was better known his friends as "J.B.", played an active part in the development and activities of the Club. He was also an ex-officer of the University of California Club in Shanghai. Deceased was 41 years of age and a native of Sun Wui District, Kwangtung. He received his education in the United States, where he graduated from the University of California at Berkeley, California, in 1921 with the D.S. degree. Upon his return to China he became connected with the Ministry of Railways, and for many years was electrical engineer in the Shanghai-Nanking Railway. Last year Mr. Lee was appointed on the Purchasing Committee of the Chekiang-Kiangsi United Railway Corporation.

King's Regulations (under the China Order in Council) made public on Jan. 1 provide that all British subjects or companies who had incurred obligations in *Silver* dollars (for, example on bonds or contracts) are authorized to discharge same in "dollars" as defined by the Chinese Government. Similarly, obligations in *taels* are to be converted into Chinese dollars at the rate of 1.40.

A Democratic delegation, including Senor Quintin Paredes, resident Philippines Commissioner in Washington, D. C. attended the inauguration this week of Frank Murphy, retiring U.S. High Commissioner for the Philippines, as Governor of Michigan. The delegation traveled from Detroit to Lansing in Mr. Murphy's private train. Senor Paredes served as official Philippines representative at the inauguration.

Recent changes in Japan's diplomatic service are the following:—Kaname Wakasugi, Counsellor of the Japanese Embassy in China, appointed Consul-General to New York; Haruhiko Nishi, Consul-General at Tsingtao, appointed Counsellor of the Japanese Embassy in Moscow; Masajiro Ohtaka, first secretary of the Japanese Embassy in Hsinking, appointed Consul-General at Tsingtao.

The China National Aviation Corporation has opened a branch ticket office at 57 Nanking Road, Shanghai. The corporation has been appointed general agent for Pan-American Airways, the Imperial Airways and Air France, and through passenger and express traffic to and from points all over the world served by these international airlines can be booked through the C. N. A. C. offices. The head office is at 51 Canton Road.

Rumors that he will shortly assume the editorship of the *Shun Pao*, leading Chinese newspaper in Shanghai, were formally denied by Dr. Hu Shih, noted Chinese thinker and educator, in Peiping Dec. 4. Dr. Hu declared that he could not leave the National Peking University of which he is Dean of the College of Arts and Letters. Dr. Hu is editor of the *Tu Li Ping Lun*, or "Independent Critic," a weekly Chinese journal of opinion.

Recent advices from Hollywood stated that Douglas MacLean, prominent cinema producer, is considering a proposal which would entail bringing a film company to China to make a photoplay employing Chinese actors against an authentic Chinese background. It was recalled by the *United Press* that Mr. MacLean recently made the arrangements for distribution in America of the film, "Song of China," which is reported to be meeting with fair success.

F. Russell Engdahl, U. S. Vice-Consul in Shanghai, and Miss Elizabeth Cary ("Lee") Lockhart were married at Holy Trinity Cathedral Jan. 4 with Dean A.C.S. Trivett officiating. The bride is the daughter of Mr. and Mrs. Oliver Cary Lockhart of Shanghai and the bridegroom is the son of Mrs. R. O. Engdahl of Spokane, Washington. Mr. and Mrs. Engdahl sailed Jan. 5 in the ss. *Conte Verde* for a honeymoon trip to Singapore. They will return to make their home in Shanghai.

Nathaniel Peffer, well-known American author and commentator on Far Eastern questions, arrived in Shanghai January 5 with the intention of remaining in China for the next two years. During that period he will be engaged in writing a new book dealing with political, economic and social developments due to Japan's expansionist policies on the continent. Mr. Peffer is well-known throughout the Orient. He first came to China in 1915 as a newspaperman. The present trip is his first since he left for America in 1929. He was a delegate to the conference of the institute of Pacific Relations held at Yosemite, California, during July and August of last year, and has just published a book entitled, "Must We Fight in Asia?", in which he discusses the possibilities of the United States being involved in a Far Eastern conflict.

Whampoa Harbor Commission to Issue $7,000,000 Worth of Bonds

Bonds amounting to $7 million will soon be issued by the Whampoa Harbor Commission to cover that initial expenses for the construction of the Whampoa Harbor. A petition to this effect will be forwarded to the Ministry of Finance for approval. The loan will be secured on revenue of 5 per cent of the additional customs duty collected in Kwangtung. Construction work on the inner harbor at Honan, is now carried on in full swing and will be completed by the end of June, 1937. In future all steamships sailing between Canton, Hongkong, and Macao and ferry boats will dock there.

Judge Grant Jones Threatens to Deport Sikhs if They Don't Stop Squabbling

Judge Grant Jones in giving judgment in the British Supreme Court Dec. 31 in a case involving a dispute among members of the Sikh Gurdwara (church) said, "I admonish both factions to desist from these senseless dissensions which apparently have no foundation in any territorial animosity in India. I warn them that any further breaches of the peace between them will be visited with the utmost rigor of the law, including sentences of deportation for all concerned therein."

News Notes from Canton

(By the Review's Canton Correspondent)

Joint action by the Kwangtung Provincial Government and the Bank of Communications has resulted in a loan of $2,000,000 to the silk industry in Kwangtung. The money will be distributed by the Rural Village Co-operative Commission through trust cooperative societies to needy farmers.

Canton's knitting factories have steadily increased production since early autum due to the high foreign exchange. Goods have been exported in large quantities to the South Sea Islands and the Philippines. By using high grade raw materials and employing skilled labor factory owners are attempting to establish the position of their products in competition with those of other countries.

An automatic telephone system and a radio broadcasting station are two projects which will bring more efficient communication to Kweilin, capital of Kwangsi Province. Contracts for both have been let and work will start soon.

The Canton-Hankow airplane service will be resumed shortly by the Euro-Asiatic Civil Aviation Co. Trial flights will precede regular service.

The residue of sugar produced in the Kwangtung Provincial Factories will be made into liquid fuel. The Factory Control Office has announced that this will take place in a new factory built specifically for this purpose.

Winter relief measures have been undertaken by the Canton Municipal Social Affairs Bureau. They include proposals for the establishment of four shelter sheds and the organization of sectional relief centres where clothes, congee, and medicines will be distributed by charitable institutions to the poor. A drive to solicit public contributions for relief work will be sponsored by the Bureau and Chamber of Commerce.

U.S. Government Launches Drive Against Airline Accidents

The U.S. Government Dec. 30 launched a drive against airline accidents, which took a toll of 67 lives in the United States during the year 1936. The Government campaign against tragic plane smashes, such as that of the United Air Lines' ship 34 in which twelve persons lost their lives Dec. 27, includes the promise of a prompt Congressional investigation of five recent crashes, four of which killed 27 pesons, while the Government will demand that airlines modernize their equipment and finally, the Department of Commerce definitely has decided to call a conference of representatives of all American airlines, Army, Navy and Coast Guard aviation authorities and the National Advisory Committee on Aeronautics in an effort to formulate a program intended to increase the afety of aerial transportation.

Overseas Chinese Contribute Liberally to Chiang Kai-shek Airplane Fund

A total of 28 contributions made by overseas Chinese towards the airplane fund in honor of the 50th birthday of General Chiang Kai-shek has lately been received by the Overseas Affairs Commission. The entire sum amounts to about $100,000, half of which is donated by compatriots in Siam.

Shanghai Populace Protests Illegal Flight of Japanese Planes

In a joint petition to the Ministry of Foreign Affairs Jan. 4, the various public organiztaions in Shanghai urged an immediate protest against the recent illegal flight of Japanese planes over territory in Shantung. The protest was filed, it was explained, after it had been ascertained that the plane was an army machine, No. 140. The plane dropped numerous five-colored flags of "Manchukuo" and propaganda handbills, couched in the most misleading language.

Enforcement of Income Tax Successfully Initiated on New Year's Day

Enforcement of Income Tax (*So-Te Shui*) has been successfully initiated throughout the country since New Year's Day, according to reports received at the Ministry of Finance. Telegrams supporting collection of Income Tax have been received by Dr. H. H. Kung, Minister of Finance, and General Chiang Kai-shek, President of the Executive Yuan, from the Hunan Provincial Educational Association, the Hunan Provincial Agricultural Association, and the Hunan Provincial Federation of Chambers of Commerce. The Canton Bankers' Association has also decided to enforce the Income Tax regulations in accordance with the order of the Government. A branch of the Income Tax Office (*So-Te Shui Shih-Wu Chu*) was inaugurated at Hankow on New Year's Day.

A set of provisional regulations governing the enforcement of Inheritance Tax has been drawn up by the Ministry of Finance, and will be forwarded to the Finance Committee of the Legislative Yuan.

The Only English Language Daily and Weekly Newspaper of Peiping.

The Peiping Chronicle

Presents news impartially and promptly, interprets current events in a sane and liberal spirit, and editorially supports progressive and constructive policies, and also serves as the best medium for advertising in North China.

Subscription Rates:

One month	Mex. $ 2.00
Six months	„ $11.00
One year	„ $20.00

(Postage extra)

The China Weekly Chronicle

A digest of the week's news concerning events and developments in China and in Chinese international relations, with editorial comment, special articles and review of books concerning China.

Subscription Rates:

Six months	Mex. $2.50
One year	„ $4.00

(Postage extra)

China Chronicle Series

Pamphlets of interest in China bearing the subjects of "Tibet under The Dalai Lama," "The New Life Movement," "Confucius and Present-Day China," "The Buddhist Cave Temples at Yun-Kang," "Guide to Peking," etc., etc., are on sale at:

THE PEIPING CHRONICLE

2, Mei Cha Hutung, Peiping, China

Teleg. Address: "Chronicle"

New Books of Interest in the Far East

An Excellent Book in German on Recent Chinese Political Events

Chiang Kai-shek und die Regierung der Kuomintang in China. By Gustav Amann. Heidelberg-Berlin, 1936. Kurt Vowinckel Verlag.

This book covers events between 1927 and 1933. It is probably one of the best, if not the best, foreign chronicle of Chinese affairs from the time, when, in 1927, Chiang Kai-shek assumed whatever power there was to assume in Nanking up to the moment when Jehol was lost. The author has personal and intimate knowledge of men and policies in China, as all those will know who have read his previous book "The Testament of Sun Yat Sen." The intricacy of the Chinese political game holds no terrors for him. This very familiarity will probably sometimes disconcert readers not quite *au fait* with the outstanding events of this period, for the general framework is somewhat hidden under the mass of details, cross-currents, names and reflections. But the serious student of modern Chinese history and politics will be delighted with the wealth of facts presented to him in readable form. Moreover this volume has the great advantage of being really a book, conceived as a whole. It is not, as are so many accounts of recent affairs, merely a compilation of articles held together by a thin thread.

The book is divided into fourteen chapters: "Transformation of the spirit; the break with Soviet Russia; Nanking; Chiang Kai-shek at the helm; the great northern campaign; peace with the bourgeoisie; civil reconstruction; China gets new laws; the industrial phase; the new military dictatorship within the government of the party; changing fortunes; communism and party rule; the opposition; again within the meshes of world entanglement." While not minimizing strife and failure, Mr. Amann succeeds in conveying a picture of the change and—all things told—of the progress effected in China during these eventful years.

Attention may be drawn to some of Mr. Amann's viewpoints. He has a definite conception of Sun Yat-sen's teachings; he holds that Sun Yat-sen never was an adept of democracy or socialism in the western sense of these words; that his doctrine was an entierely original blend of certain western political and social ideas with genuine Chinese traditions, especially that of the sanctity of the family. And though Mr. Amann admits that some of the new laws may endanger the Chinese family system, still he thinks that the old Chinese paternalism not only survives today as a remnant of the past but will remain also in the future a constant feature of Chinese life.

One of the most interesting chapters is that on "Peace with the bourgeoisie." Mr. Amann shows how, owing to the expulsion of the Communists from the Kuomintang and the dissolution of the peasants', workers', women's and youths' organizations in 1927/28. the masses lost their position and influence as counterpoise to the still powerful warlords. Their place was then taken by the middle classes. And it was only due to the clever economic policy of the new Minister of Finance, T. V. Soong, that the bourgeoisie departed from their original distrust of Chiang Kai-shek, whom at first they considered as a militarist, among others. What made them accept and support the Nanking government was the hope of material profits to be reaped under a new economic policy. The first step lay in the direction of tariff autonomy for China, which became operative on February 1, 1929. But at a much earlier date the Ministry of Finance had succeeded in capitalizing future customs revenue surplus through a number of internal loans.

The sub-title of Mr. Amann's book: "The government of the Kuomintang" is perhaps more adequate than the paramount title of "Chiang Kai-shek." For though Chiang Kai-shek is inevitably the pivot of Chinese history in those years, yet Mr. Amann does not push him into the centre of the picture. He shares honors with other members of the government, especially with T. V. Soong. Mr. Amann's commetary on General Chiang's access to power is very interesting. Chiang Kai-shek's position in 1927 was unique: he was honored and feared among the warlords and withal not a warlord in the old style. For he honestly believed in the Kuomintang and its principles. And while proving himself past master in the old Chinese art of wire pulling and manipulation of men and groups, he was able to gauge rightly the value of a modern minded partner like T. V. Soong, and to let him manage the finances of the country. This latter fact has more than anything else strengthened the foundations of the power of Chiang Kai-shek during the difficult first lustrum of his rule.

It is to be hoped and expected that Mr. Amann's book will soon be translated into English. Enough generalities have been printed about China. But there is ample room for exact studies of definite phases and aspects of Chinese history written by people, who, like Mr. Amann, have outgrown indignation, admiration and bewilderment and care for accuracy and detail.

S.

The Love Life of the World's Famous Composers

Like Softest Music—Love stories of famous composers. By Rose Heylbut. Thomas Y. Crowell Company, New York.

Intimate glimpses into the private lives of the world's famous composers is presented in a most entertaining manner by the author and should prove to be of value, especially to those of us who have never studied or had a real appreciation of "highbrow" music, as Americans are apt to term the compositions of the old music masters.

To follow through the pages and live with these men who have contributed so greatly to art an ever enduring source of pleasure, is to make us more understanding and appreciative of the suffering and sacrifices they underwent before they produced their masterpieces. The author has presented a collection of episodes, with a tendency to emphasize the human side, which clearly makes these great musicians normal personalities battling with every-day problems and experiences and at the same time writing the kind of music which has lived down through the years and is found on our symphony program throughout the world today. It shows they did not dwell—far from it—on lofty heights. Included in this collection, are—some of which are reprints from *Etude*—Beethoven, Schubert, Mozart, Schumann, Liszt, Bach, Mendelssohn, Von Weber, Chopin, Wagner, and Tschaikowsky, men, who lived, loved and suffered.

M. P. W.

Japanese Slums as the Inspiration for Gripping Poetry

Songs from the Slums, by Dr. Toyohiko Kagawa, interpreted by Mrs. Lois J. Erickson. Published by Student Christian Movement Press, 58 Bloomsbury Street, London, W.C.1. 74 pp. Price 2-6.

For fourteen years, Toyohiko Kagawa lived, as a consumptive boy, in the slums of Japan before he emerged as one of the great Christian leaders and social workers of the world. Son of a wealthy capitalist, one of the founders of the Japan Mail Steamship Company, he found no love at home and he went to live in the slums of his own free will.

He almost died of starvation, freezing and tuberculosis several times during those fourteen years but the love of God and mankind keeps him going. His philosophy may be summed up in two lines:

Penniless,
For a while without food,
I can live,
But it breaks my heart.
To know,
I cannot give.

Indeed the translator, while apologizing for herself in the foreword, has done an excellent job in the translation. "Songs from the Slums", in the English version, tells a poignant story of the depths of misery among the poor people of Japan. He tells us of the tiny baby, half dead with dysentery, who was rescued from the professional baby-killers, only to die in his arms while he wept for her, of the despair and utter hopelessness of the child workers in the factories, of the wife rented out in order to keep her syphilitic husband in comfort, of the man whose mother left him to die on the beach at two weeks old, of the "starveling's fretful cries as she lies wrapped in rags that stink", of the monkey-boy standing before the store window filled with toys, of the 12-year-old harlot, wearing the rags she slept in, shamed and hungry and cold, crying in the snow, of:

The painted idiot girl
Upon whose back
Vile pictures
Were tattooed
In red,
Will never lure men to her den again;
She is dead . . .

You ordinary folk
Upon the hill,
To whom,
The slums are vague,
Listen and tremble
As I scream to you,
"She died of plague."

There among the plague, the stench, syphilis, the starvation and the utter despair of the poor and the damned, Kagawa finds beauty. In jail he finds the stars communing with him through the cell window.

Many of the poems are exquisite, all are beautiful.

E. H. L.

A Valuable Monograph on Birds of Hopei Province

The Birds of Hopei Province (in two volumes). By Professor Tsen-Hwang Shaw, A. M. Fan Memorial Institute of Biology. More than 800 pages, 306 text figures, and 25 plates. Prices U.S. $10.00 or £2.00. Published by The Fan Memorial Institute of Biology, Peiping, China, December, 1936.

This monograph embodies the results of nine years exploration and study, thus bringing together a vast amount of information on the avifauna of this part of the world. It is the first comprehensive and critical treatise on all the species and subspecies of birds known to occur in this area, or nearly half of Chinese birds. It records not only the ornithological findings of the writer within he territory of Hopei province, but the results of previous labors relating to the subject have not only been collated in a connected form, but carefully checked and critically examined.

Among the many outstanding features of the present volume (which is certainly the most comprehensive work on the natural history of China ever written by a Chinese naturalist) are the following:

1. Record of the mean of the measurements of the specimens, as well as the range of variation for both male and female and for immature stages.
2. The body-weights of various species are recorded. This is something unique and has never been attempted before by ornithologists, although this has been given attention in the study of mammals.
3. The habitat and habits of the Hopei birds are given so far as it has been possible to study them, and several new locality records have been established, some of them new to China, as a whole.

The material gathered for this book contains more than 10,000 skins, this being the largest collection of Hopei birds ever made in the history of Chinese ornithology. A standard is thus set for future work along this line, which can not but have an important influence upon the method of work in natural history in this country.

The importance of a systematic survey of the flora and fauna is too often overlooked by specialists who concern themselves with detailed problems, that require intensive laboratory application. I believe, however, that systematic work of the kind embodied in this volume is one of the most important and fundamental undertakings, especially in a country like China, where the field is so little explored.

Involving, as it does, the investigation of the anatomical and morphological characters of the animals and plants as well as their ontogeny, it requires a detailed study of the individual objects, but in addition to this there is a vast array of ecological problems, of which only a field naturalist can obtain a true conception.

China is to be felicitated on the sound judgment of its leading men of science, which prompts them to insist on the laying of the only firm foundation for subsequent work, the detailed study of its animals and plants in the light of their natural environment.

A. W. GRABAU.

Peking, December 23, 1936.

Amnesty for All Political Prisoners Recommended by "Lih Pao"

That the National Government, at this time of national crisis, should grant an amnesty to all political prisoners in order to concentrate the national forces to cope with the enemy was urged in an editorial in the *Lih Pao* on Jan. 3.

The journal, among other things, said:—"While appreciating the petition of General Chiang regarding a special pardon for Marshal Chang Hsueh-liang, we hope that the Government will immediately announce an amnesty for all political prisoners of China. While celebrating the 50th Birthday of General Chiang, we have been told of a number of instances where prisoners have declared hunger days for the contribution of airplanes to the Government and that prisoners have asked to be sent to participate in the War in Suiyuan. All this testified to the partiotism of these prisoners who, though deprived of their freedom, are still thinking more of their own country than their own selves. We are almost certain that, should clemency be granted to these prisoners, there will be good results from their participation in the work of national salvation."

Suez Canal Company Earnings Increase

The total number of ships which passed the Suez Canal in either direction during the month of November is 511, compared with 548 in November 1935, according to the monthly statement of the Suez Canal Company made in Cairo, Dec. 28.

Although the number of ships passing through the Canal has declined in comparison to the previous year, revenues from tolls in November 1936 were considerably higher than in 1935 namely 105,240,000 Francs as compared with 79,790,000 Francs in the year previous.

The statement moreover shows that the total number of ships passing through during the last six months of 1936 was 5369, compared with 5499 during the corresponding period of the previous year.

Two New English Books

at Special Prices

till End of March, 1937

THE CHINESE YEAR BOOK

Second Issue, 1936-37

Edited by

CHAO-YING SHIH & CHI-HSIEN CHANG

1608 pages. List Price, $28.00

SPECIAL PRICE, $20.00

(postage extra)

To keep pace with the amazing rapidity with which reforms and developments of awakening China have been carried out during the past year, the Second Issue of the Chinese Year Book, the Premier Issue of which was out less than a year ago, is now ready to greet the reading public. While most of the chapters have been entirely rewritten to bring the data up to the moment, new chapters on "Language and Dialects," "Northeastern China," "Mongolia," "Sinkiang," "Tibet," "Home Affairs," "Press," "North China Smuggling Situation" and "Opium Suppression have been added to the present volume, furnishing information hitherto unavailable. Students of Chinese affairs should keep themselves well informed with a copy of this authoritative work at hand.

Specimen Sheets free on request

CONFUCIUS SAW NANCY AND ESSAYS ABOUT NOTHING

By LIN YUTANG.

List Price, $3.00

SPECIAL PRICE $2.10

(postage extra)

"Confucius Saw Nancy," the one-act tragic-comedy originally published in Chinese, is now rendered in English by the author himself and published along with his twenty-seven short pieces written during the past year. Lovers of Dr. Lin's literary work can hardly afford missing the perusal of the present volume.

Publishers & Distributors

THE COMMERCIAL PRESS, LTD.

Shanghai & Outport Branches

My Hopes for 1937

BY T. S. YOUNG

THE Old Man 1936 is dead. We do not at all regret his death, for we had do great love for him. He was a callous man, or, one might almost say, a devil incarnate. From the cradle to the grave, he gave us anxieties, troubles and misfortunes, causing us to live always in a state of suspense. Age could not even soften his heart; for he became even more relentless and evil-minded, as he because more advanced in age. In our utter disappointment, we learned to hate him, and prayed God for his early demise. We are glad of his death and of our deliverance, and can now heave a deep sigh of great relief. Though we are still haunted by his devilish deeds and dogged by his long black shadow, we, nevertheless, find enthusiasm to greet his successor, hoping that he will prove himself as benevolent as his predecessor was devilish, and bring us Peace, Harmony and Prosperity.

Lo, what a series of misfortune he caused to fall upon us in the short span of twelve months! The world itself became, so to speak, a cauldron of boiling water. Here, elder statesmen were massacred in a wholesale fashion by the hot-headed youths for no other crime than their conservatism, if conservatism can be rightly called a crime; and there, political leaders were summarily apprehended and shot before a firing squad because of their perversity in holding different political beliefs. In one country, its peace-loving people were condemned as barbarians, because they did not wear black shirts and eat spaghetti, and lost their country as a consequence; and in another country, the "brothers" of the same blood locked their horns in a life and death struggle, because they willingly rendered themselves to be pawns in one of the most sinister games of international politics which had ever been known in the world's history. Hither, a popular political leader was kidnapped and held for ransom; and thither, a progressive sovereign gave up his kingdom, because he loved a woman more than a throne. These melodramatic events had a very adverse effect upon our confidence in mankind, which was shaken to its very foundation, and also upon our future outlook, which appeared to be darker than ever.

Welcome to the Year 1937

Nevertheless, we greet the New Man 1937 with genuine welcome and sincere wishes. At present, he is still a new born baby, and whether he will turn out to be devil or a Samaritan, an agent of peace or a dog of war, only the future can tell. The legacy he has inherited is indeed bad, and the circumstances in which he was born are very ominous; but we hope that when he grows up, he will find sufficient courage to overcome these handicaps. We look upon him with the same hopes as upon any other new-born babe, irrespective of whether it is born of good or bad parents, and under favorable or unfavorable circumstances. We trust that a man of courage can always assert himself over and above his handicaps. While we dare not expect that this New Man will be able to exorcise the dogs of war, the spirits of international rivalry and the evils of nationalism all from this great world, we, at least, hope that he will do his utmont to help us in chasing away foreign devils from our country, so that in our sleep we may not be disturbed by nightmares, and that in our waking hours, we may not have to follow Mrs. Flintwinch's example to cover our heads in aprons.

Our country is a big haunted house, full of evil spirits, Its inhabitants have been not only tormented by domestic evil spirits, but also molested by foreign devils stalking in from a neighboring house. These foreign devils have proved very wicked in nature; and after having forcibly occupied some of our outer rooms, have now entertained a wide dream of driving its inhabitants, together with its domestic evil spirits, totally from our big house. In this circumstance, my first hope for 1937 is that the New Man will be able to assist us in driving away these foreign devils from our house. Should we be not strong enough to kick them out altogether, we must do something to call a halt to their devilish activities for the mere purpose of our self-preservation. True, our house is a very big one, but it is our inherited property, and was not built to be haunted by foreign devils. Our tolerance toward their "invasion" at the very beginning must not be interpreted as our weakness, which they can exploit once and again for their self-aggrandizement. We have been foolish enough to extend our habitual hospitality to these uninvited guests, and are now at a loss as to what to do with them.

No Time for Idle Talk

Secondly, let me hope that there will be no more empty talk of fighting foreign devils. We, of course, must prepare ourselves for a big war with them, but it is useless to indulge in idle talk. Time and again, some malcontent members of our big family would unfurl a banner bearing the inscription of fighting our enemy for the purpose of rallying the public support to their evil cause of overthrowing the existing "Government." The music produced from this worn-out harp can no longer arouse our interests, for we have been fully aware of the real designs of these artful players. We can not afford to embark on modern war, when we can not present a united front and when we are not prepared for this eventuality. These fighting talks, to be sure, will not make the talkers any more heroic in their appearance, but will only render them ridiculous in the public eyes. Let them be more sensible this year. If they really mean what they have bragged about, they have a big opportunity before them to show up their valor and worth. What they must do at present is to talk less and bury their heads in the works of preparation for the big occasion, which must come sooner or later.

Thirdly, let me hope that there will be no more ugly incidents, as frequently occurred last year. These foreign devils have been bent on seeking pretexts to justify their demands and actions. If any one of us should accidentally or inadvertently throw out of the windows a pear-core or a cigarette-butt, which happens to fall on a stranger's head, they would immediately make a hue and cry over the affair, and broadcast it as a very serious incident. Yet they have frequently professed that they love us and want to be our friends. They have taken us for small boys, whom they can spank one minute and shake hands with in the next. If their friendship is genuine and sincere, they had better create less of these incidents and give more evidence of their friendship. On the other hand, let our people be more sensible and refrain themselves from resorting to any rash acts as a sort of vengeance. The murder of a foreign devil will not help us to recover our lost "territory," but will only give a pretext for our enemy to exploit. We have already been surfeited with incidents of one kind or another, and let us have no more this year.

Let Us Hops There Will Be No More Political Kidnapping

Fourthly, let me hope that there will be no more political kidnapping and blackmailing this year. Kidnapping and blackmailing are always cowardly acts, and when they are perpetrated by leading members of the family, they are even more condemnable. No respectable family can maintain its respect, should one of the leading members abuse the trust and friendship of his superior and detain him either for political or for pecuniary reasons. We have never heard of the leaders of rival political parties in Europe kidnapping each other for political reasons. Nor have we heard that a Democratic Candidate for Presidency in America has ever should held a Republican Candidate for ransom. It is unthinkable that such a thing can occur either in Europe or in America. Then where have we learned of such a thing? Can it be possible that we follow the example of our neighbor, who has once kidnapped a boy and smuggled him to the "Paradise" to serve as a puppet? If it is so, let us at once remember that it is not a good example for us to follow. We are a respectable family, and not a family of bandits. We can not afford to lose our good name, and follow the way of doing things habitually followed by our dear neighbor, who has had gained the sobriquet of "international bandit."

Fifthly, let me hope that there will be no more domestic strifes to break up our family. We can not kick out foreign devils from our house, unless we first set our house in order and unite for a single purpose. For long we have called heaven and earth to help us to bring unification to our family. Last year, we did much to carry out our long-cherished wish to realization, and could proclaim to the world that we were at the long last a united family, but for the kidnapping affair occurring toward the end of the year. We deplore the occurrence of such a treacherous deed, and condemn in no uncertain terms the perpetrators of such political stunts for their seeking selfish ends at the expense of national unification. It is, of course, futile to cry over spilt milk. In future, let every member of our family remember that for our self-preservation, we must pull together and present a united front; and let our many malcontent members bury their political axes and back up our Government for the sake of our national existence, if for no other reason.

And lastly, let me hope that all my hopes can be realized.

Chinese Note to League Suggests Withdrawal of Extrality Privileges

The Chinese Government Dec. 25 forwarded to Joseph Avenol, General Secretary of the League of Nations, its acceptance of the principles in the projected convention of the creation of an international penal court, but regretted that the projected convention for the repression of terrorism had not taken account of the suggestions of the Chinese Government.

It asks that the League experts re-examine the difficulties of repressing crime, which are due to the existence of extraterritoriality, concessions, settlements and leased territories. In this connection the Chinese Government made the following suggestions: That in countries where extraterritoriality exists, foreigners enjoying a regime of consular jurisdiction should lose the benefits of this regime and be submitted to local jurisdiction if accused of territoristic action having a political aim; that facilities be accorded local jurisdiction in countries having concessions, settlements and leased territories which will assure them of the political stability of these territories which are escaping their administration.

1936 Customs Revenues Show Increase Over 1935

The Ministry of Finance authorizes publication of the following statement concerning the Customs Revenue Collection for the Year 1936:—

The Customs revenue for 1936, composed of Import and Export Duties, Interport Duty and Interport Surtax, Tonnage Dues, Flood Relief Surtax and Revenue Surtax, amounted to $324,583,291.25, as compared with $315,519,712.03 for 1935.

The contribution under each heading towards this total, as well as the corresponding figures for 1935, are shown below:—

1936

Import Duty	C.G.U.	112,835,168.07
Export Duty	$	24,474,126.22
Interport Duty and Interport Surtax	$	13,684,809.97
Tonnage Dues	$	4,032,656.84
Flood Relief Surtax:		
On Import Duty	C.G.U.	5,620,966.86
On Export Duty	$	1,302,995.84
Revenue Surtax:		
On Import Duty	C.G.U.	5,608,552.22
On Export Duty	$	1,302,978.89

1935

Import Duty	C.G.U.	137,553,303.43
Export Duty	$	20,731,524.44
Interport Duty and Interport Surtax	$	13,207,545.14
Tonnage Dues	$	4,320,600.82
Flood Relief Surtax:		
On Import Duty	C.G.U.	6,872,319.30
On Export Duty	$	1,094,008.01
Revenue Surtax:		
On Import Duty	C.G.U.	6,860,571.41
On Export Duty	$	1,093,742.87

Of the total Import Duty collection of C.G.U.112,835,168.07, 59 per cent was collected in actual gold unit drafts or notes and the balance was collected in local currency according to exchange rates ruling on the date of payment of duty.

The total collection made at each of the principal revenue-producing ports during the year 1936, also the increase or decrease which these totals represent when compared with the collections for 1935, are as follows:—

Port	*Collection* 1936 $
Chinwangtao	1,235,971.79
Tientsin (including Peiping Office)	35,518,115.75
Chefoo (including Lungkow and Weihaiwei)	4,608,098.44
Tsingtao	20,305,936.41
Hankow	23,874,359.04
Shanghai	148,869,136.96
Amoy	5,455,164.77
Swatow	6,828,894.11
Kowloon	9,120,867.31
Canton	10,925,799.45

Port	*Increase* $	*Decrease over* 1935 $
Chinwangtao		192,339.80
Tientsin (including Peiping Office)		5,570,895.80
Chefoo (including Lungkow and Weihaiwei)		799,321.93
Tsingtao		2,007,318.13
Hankow		1,478,130.58
Shanghai		258,302.31
Amoy		550,745.76
Swatow		2,067,988.32
Kowloon		1,774,137.49
Canton		1,309,296.76

A large decrease in the revenue collection in the northern ports is recorded and is attributed to the fact that organized smuggling on an unprecedented scale continues unabated in that area; and the situation is further aggravated by the fact that the Customs Preventive Service continues to be precluded from operating normally in the so-called "Demilitarized Zone."

The service (1) of the Anglo-German Loan of 1898, (2) of the Boxer Indemnity obligations and (3) of the 1913 Reorganizations Loan has been met in full from the Customs revenue during the year at a total cost of $76,728,395.72 as compared with $66,400,988.31 expended on foreign loan and Indemnity account during 1935.

The service of the American Wheat and Flour Loan of 1931 and of the American Cotton and Wheat Loan of 1933, which were converted into a single obligation under the terms of the Consolidation Note of the 28th May 1936, was met in full from the collection of Flood Relief Surtax, at a total cost of $6,402,963.37.

A total sum of $129,173,686.18 has been handed over to the National Loans Sinking Fund Administrative Commission for the service of internal loans secured on the Customs revenue. Obligations under this heading include: 1.—the 25th Year Consolidation Loan of $1,460,000,000 (which was issued on the February 1, 1936, for the conversion and amortization of outstanding issues); 2.—the 25th Year Recoverry Loan of $340,000,000 (which was issued on the March 1, 1936); 3.—the 17th Year Long-term Currency Loan (which was not included in the conversion scheme referred to above).

It should be noted that subsequent to the seizure in mid-1932 of the Customs establishments at the Manchurian ports, no quota has been made available to the Government from that region, or from Dairen, towards the payment of the various loan and indemnity obligations secured on the Customs revenue.

Native Goods Joint Sales Corporation to Be Capitalized at $2,000,000

The organic laws for the Native Goods Joint Sales Corporation have just been completed by experts in the National Peoples Economic Reconstruction Movement Association, and are expected to be approved by the Executive Yuan before the middle of this month. According to the draft law, the corporation, which will aim to promote the consumption of home-made goods in China, will be capitalized at $2,000,000. The payment, which will be equally shared by the Government and native goods manufactures, will be made in two periods. The head office of the company will be established at Shanghai and branches will be opened in other large cities.

1937 to Be Prosperous Year for Shanghai Banking

Central News says the year 1937 has ushered in a prosperous banking year for Shanghai as evidenced by the elaborate efforts now being made by many leading banks in this city to expand their activities. Following the conclusion of the New Year Holidays all local banks resumed their business Jan. 5 with renewed zest, as indicated by the opening on said date of three additional departments in three leading banking concerns. Shanghai Joint Savings Society, which is composed of Kincheng, Yen Yieh, Continental and South Seas Banks, opened a new Trust Department. Another trust department was inaugurated by the Kiangsu Provincial Bank. Opening a new phase of activity, the Ningpo Commercial and Savings Bank also added a new banking department to its organization. Besides, a branch bank will be established on Avenue Joffre.

New Railway May Be Built in Shantung for Development of Mineral Rescurces

Rich mineral resources in southern Shantung may soon be exploited, as a plan has been advanced for the construction of a railway linking Tseyang on the Tientsin-Pukow railway near Chufu with Lienyung Harbor in northern Kiangsu. The new railway project, which is approximately 700 li long, has met with the approval of the Shantung Branch of the National People's Economic Reconstruction Association and is now under the consideration of the head association of which Gen. Chiang Kai-shek is president. It is suggested that laborers be drafted from among the troops and flood refugees to build the road-bed of the proposed railway, which will be a semi-government enterprise.

Railway Ministry Meets Great Success in Rehabilitating Loan Obligations

The steady rise in value of Chinese Railway bonds in the international market during the last several months definitely indicates the success of the Ministry of Railways in rehabilitating Chinese railway loans, declared a spokesman of the Ministry when interviewed in Nanking Dec. 29. According to statistics compiled by the Ministry, the bonds of the Tientsin-Pukow, Taokow-Chinghwa, Lunghai and Canton-Kowloon railways have risen by 30%, 40-50%, 12% and 10% respectively during the current year following the promulgation of rehabilitation measures for the service of these loans. Although the purchase of Chinese railways bonds is still considered as a speculative proposition, foreign investments in China during the year have greatly increased, especially in the case of Germany and England, the spokesman added. It was also revealed that foreign financial circles have become hesitant in investing in Japan because of her huge military expenditures.

Direct Shanghai-Canton Rail Service Planned by Nanking

The Chekiang-Kiangsi railway has decided to spend about $6,000,000 on replacing the light rails on its 350 kilometer long section between Hangchow and Yushan so that by next June through traffic between Shanghai and Canton can be inaugurated. The rails will be purchased from Czechoslovakia on credit, for which the railway will issue promisory notes, promising to pay the total amount of $6,000,000 with its accured interest within seven years. The Ministry of Railways will guarantee the payments. It is understood that as soons as the new standard-weight rails arrive in China, the replacing work will be begin immediately with a view to making the Shanghai-Canton direct through express service a reality by next June.

MORE GERMANS AND ITALIANS AID REBELS IN SPAIN

(*Continued from page* 184)

to one of the severest bombardments it has hitherto experienced. No less than fifty bodies were taken to the morgue in one district alone, where bombs fell on a queue composed mostly of women, outside a grocery store.

Mobilization of British battleships in Spanish waters to protect Britain's merchantmen form attacks by Spanish ships was threatened in London, Jan. 5.

5,000 Italian Troops Land in Cadiz

Over 5,000 Italian troops landed in Cadiz from Italian warships last week, according to a report received in Gibraltar Jan. 4. The troops entrained for Seville immediately after landing, halting en route at Jerez, where they were entertained by the Spanish authorities.

Soviets Comment Shaply on "Piratic" Acts of German Cruisers

Moscow Izvestia Jan. 4 commented:—"The entire international public opinion is agitated by the piratic acts of German cruisers in the Mediterranean Sea. The German cruisers *Koenigsberg* and *Admiral Graf Spee* are contesting now in a time of 'peace' the laurels of the German submarines which, during the last world slaughter, opened a merciless submarine war by sinking the *Lusitania*. The German Navy in the Mediterranean has virtually commenced hostilities against the Navy of the lawful Spanish Government. What an unpleasant awakening for those who engaged in the empty dreams that it would be possible to persuade by words and kindness the German war-mongers to abandon their plans in Spain. The unprecedented outrageous actions of the German Navy in Spanish waters and the piratic war fanned under the protection of German warships by insurgent ships, firing indiscriminately at unarmed ships flying the British, French, Belgian and other flags—such is the German answer to the latest Anglo-French proposal—an answer fully in the style of diplomacy which Herr Hitler has carried into practice."

Britain and Italy Sign Agreement to Maintain Status Quo in Mediterranean

Mutual pledges for the maintenance of the status quo are contained in an agreement between Great Britain and Italy concerning the Mediterranean, signed in Rome by Count Ciano, the Italian Foreign Minister, and Sir Eric Drummond, the British Ambassador, Jan. 2. Neither British recognition of Italy's new empire in East Africa nor reference to naval strengths is contained in the pact, the value of which is thought to be principally psychological, representing a rapprochement between the two countries after the Italo-Ethiopian war.

The agreement reads as follows:

"His Majesty's Government of the United Kingdom and the Italian Government, animated by a desire to contribute increasingly, in the interests of the general cause of peace and security, to the betterment of the relations between them and between all Mediterranean Powers, and resolved to respect the rights and interests of those Powers:

"Recognize that the freedom of entry into, exit from, and transit through the Mediterranean is of vital interest both to different parts of the British Empire and to Italy, and that these interests are in no way inconsistent with each other;

"Disclaim any desire to modify or, as far as they are concerned, to see modified the status quo as regards national sovereignty of territory in the Mediterranean area;

"Undertake to respect each other's rights and interests in the said area; and

"Agree to use their best endeavors to discourage any activities liable to impair the good relations which it is the object of the present declaration to consolidate.

"This declaration is designed to further the ends of peace and is not directed against any other Powers."

Eve And The Apple.

If Eve had not eaten the apple in the Garden of Eden, we are told, the world would not have got into the muddle it is in today. If people generally were more careful in the matter of diet there would be no cause for much of the present day suffering from digestive troubles.

If you have eaten unwisely, or if your liver or intestinal tract is out of order, Pinkettes are the simplest and speediest corrective. These dainty little laxatives gently, but surely, dispel constipation, stimulate the liver, banish bilious attacks and sick headaches, restore cheerfulness and a general sense of well being.

As a corrective of ill-smelling breath, pimply blotched skin, and to relieve piles, Pinkettes are perfection. Of chemists everywhere.

U.S. East Coast Maritime Strike Drawing to a Close

The east coast maritime strikers began a movement this week to overthrow Joseph Curran, chairman of the insurgent Seamen's Defence Committee, and to permit workers to return to their jobs. The east coast strike is rapidly losing ground while funds are being exhausted.

One hundred and fifty striking New York seamen in New York, Jan. 3 greeted Lawrence Simpson, American citizen recently freed by German authorities after being sentenced to three years' imprisonment on a charge of treason and espionage.

General Motors Strike Affects 37,000 Workers

Three hundred delegates from plants of the General Motors Corporation in ten cities Jan. 3 empowered the Automobile Workers Strategy Board, under the leadership of Homer Martin, to call a general strike in all G.M.C. plants. In addition, the workers approved the following program: Eight demands ranging from higher wages to shorter hours and better working conditions; appointment of a negotiating committee to represent the workers of the various G.M.C. plants.

Alfred P. Sloan, President of the General Motors Corporation, issued a statement to his employees saying the company refuses to recognize any one union as a sole bargaining agency for emplloyees, but will continue to recognize workers' representatives, whether union or non-union; employment will depend on workers' ability and efficiency, rather than upon membership in a union.

The General Motors Corporation said that the closing of all its 69 plants would throw 135,000 workers out of employment. 37,000 persons were idle in strikes tying up ten of the company's plants, it was announced Jan. 4.

Frank C. Murphy, newly elected Governor of the Philippines, will probably mediate.

U.S. Supreme Court Quashes Sentence on Oregon Communist

The U.S. Supreme Court in an unanimous decision Jan. 4 set aside the seven-year sentence of imprisonment imposed on Dirk de Jonge, Portland, Ore., Communist, convicted of violating the criminal syndicalism laws of that state. The Court held that the Oregon statute violated the "due process of law" clause of the Fourteenth Amendment.

Feud Between Ex-King Edward and Stanley Baldwin Was of Long Standing

An *A. P.* dispatch from London Dec. 3 called attention to the fact that the feud between the then King Edward VIII of England and Prime Minister Stanley Baldwin, had long smoldered beneath the surface. Its roots lay in the basic difference between the old regime and the new—the staid post-Victorian era of George V. and the swift, ultra-modern tempo set by the young man who gained the sobriquet of the world's "Prince Charming" before he came to the throne.

"When I am king, I shall be king," Edward once said, significantly, after a reported run-in with Baldwin. As long as he was prince, not king, he obeyed the dictates of unswerving loyalty to the throne of his father.

Edward bided his time. Until he was 41 years old he submitted to the ministerial remonstrances of Britain's elder statesmen. Then the death of his father reversed the roles and placed him suddenly as supreme and lone ruler of his destiny. Swiftly, with a series of precedent-shattering incidents, he made it clear that, now that he "was king," he intended to "be" king in more than name.

It was strangely appropriate that the now famous "affair Simpson" should have brought into the open the differences between Edward and Baldwin, for it was Baldwin who had repeatedly brought pressure to bear on him as Prince of Wales to get married and "settle down." In that one thing Edward rebelled. He would not be forced into a loveless "marriage of state," and he emphatically said so on more than one occasion.

A point to be noted in connection with this dispute is that the ex-King was for many years the Prince of Wales and as such took a special interest in the Welsh districts. It was not without significance that Lloyd George, the War time Premier sent the ex-King a hearty Christmas message thanking him for his interest in the welfare of the Welsh miners. When on the occasion of a recent visit by the then King to the depressed areas of South Wales he was heard to exclaim to Welsh proletarians: "Something must be done for Wales!" and this was printed in the *Daily Mail*, Baron Camrose's *Daily Telegraph* hotly retorted: "Those who would make a whip to beat the Ministers out of the kind and human feelings the King has shown are not helping the depressed areas but are doing His Majesty a grave disservice."

Conference on Egypt to Be Held April 12

The international conference for the abolition of the Egyptian capitulations (extrality) and mixed tribunals has definitely been convened to meet at Montreux on April 12.

Just off the Press

MODERN CANTON

BY

EDWARD BING-SHUEY LEE

$5.00

THIS BOOK TELLS THE STORY OF THE DEVELOPMENT INTO A MODERN CITY OF THE MOST INTERESTING CITY IN SOUTH CHINA

ON SALE AT

The China Weekly Review

160 Ave. Edward VII Shanghai

Regarded by Many as the

MOST COMPREHENSIVE STATEMENT ON THE CHINESE CRISIS

Timely Analysis and Interpretation of Some of the Most Pressing Issues, Domestic and Foreign, Facing the Chinese Nation Today.

By Prof. HUBERT S. LIANG

A pamphlet of 34 pages, including a series of articles originally published in *The Review* dealing with Domestic Politics, Conditions for Internal Unity, Sino-Japanese Issue, Diplomacy in the Period of National Crisis and final chapter, "Can Japan Conquer China?"

An ideal pamphlet to enclose in your letters to friends abroad. Price, including postage .. 40 cents or 3 copies $1.00

Send orders with stamps or check to

CHINA WEEKLY REVIEW

160 Avenue Edward VII,
Shanghai.

Latest New York Stock Exchange Quotations

January 6, 1937

Stock Exchange—Business Done:-

Total Volume: 1,870,000

1936 High	1936 Low	Div. $ per sh.	STOCK	Last Sale Jan. 4	Last Sale Jan. 5
15¾	9⅝	0.35	Adams Express	15⅛	15½
137½	110	4.00	American Can	116	118½
40¾	29¼	0.60	American Cyanamid "B"	34½	35⅝
9⅝	6⅛	—	American & Foreign Power	7¾	8
60	29⅜	—	American & Foreign Power $7 pfd.	60	60½
27⅝	18¾	0.60	American Radiator	25⅛	25⅝
189⅛	149½	9.00	American Tel. & Tel.	184¼	183½
104	88½	5.00	American Tobacco "B"	96¼	97
27⅝	19⅛	0.80	American Waterworks	25¼	26½
54¾	28	1.00	Anaconda Copper	54⅛	53½
88½	59	2.00	Atchison, T. & S. Fe	70¼	71¾
51¼	26⅝	—	Auburn	30	30⅝
26⅜	15⅞	—	Baltimore & Ohio	20⅞	21¼
77⅜	45⅜	1.50	Bethlehem Steel	73⅝	75⅝
36⅛	16⅝	—	Boeing Airplane Co.	34¼	34
16	10⅝	—	Canadian Pacific Railway	14¾	14⅜
186	92½	4.00	Case, J. I.	141	145
48⅞	34	1.40	Chase National Bank	48⅞	49⅛
100	59	3.00	Chesapeake Corp.	85¾	85¼
77⅛	51	2.80	Chesapeake & Ohio	66¾	66⅞
137⅝	85½	12.00	Chrysler	112¾	113¾
23⅜	14	0.60	Columbia Gas & Electric	18⅜	18⅞
24⅝	14¼	0. 0	Coml. Solvents	18⅜	18¾
5½	2¼	—	Commonwealth & Southern (ord.)	3⅜	3½
43¼	27¼	2.00	Consolidated Edison	43¾	44
17	11⅝	0.80	Consolidated Oil	16½	16⅝
44⅝	28¼	1.00	Continental Oil	43	43⅛
82½	63⅝	3.00	Corn Products	68¼	68½
82¼	50⅝	—	Douglas Aircraft	70	69½
184⅛	133	3.60	Du Pont de Nemours	169¾	172½
27	15⅝	—	Electric Bond & Share	22⅛	22⅞
54⅞	34½	0.90	General Electric	53⅞	53⅛
44	33⅝	1.80	General Foods	39¼	39¼
76⅜	58⅞	2.00	General Motors	61	63
57	32½	1.00	General Railway Signal	56¾	58
35	18⅝	1.00	Goodrich (B. F.)	31½	3 ¾
31⅞	21⅝	—	Goodyear Tire & Rubber	28	28⅛
80	57	1.00	Humble Oil	78	78½
66	43¼	1.60	International Nickel	62¾	62⅞
19¼	11⅛	—	International Tel & Tel.	12⅛	12⅛
63	28¼	1.70	Kennecott	61⅓	62
97	43	2.00	Loew's Inc.	64⅝	66
26½	21⅛	1.20	Lorillard	22¾	22⅞
103	79	1.00	Monsanto Chemical	98	97
68	35⅝	2.00	Montgomery Ward	54⅜	54¾
44⅜	32	1.00	National City Bank	41⅞	42
28¼	21	1.20	National Dairy Prods.	28½	28⅜
33⅜	25⅝	2.00	National Distillers	28¼	28¼
14⅞	9⅝	0.60	National Power & Lt.	11⅝	12⅛
49⅝	27⅜	—	New York Central	40¼	40⅜
35½	23¼	1.00	North American	30¾	30¾
41	30⅜	2.00	Pacific Gas & Electric	35¼	35⅝
58¾	46⅜	3.00	Pacific Lighting	51¾	51½
13⅜	6⅞	0.45	Packard Motors	10¼	10⅜
45	28¼	2.00	Pennsylvania Railroad	40¼	40
52⅜	38⅛	1.00	Phillips Petroleum	50¼	50⅝
50½	39	2.40	Public Service of N. J.	48½	48⅝
14¼	9⅜	—	Radio Corporation of America	11	11
60⅜	50	3.00	Reynolds Tobacco "B"	56½	56¼
55⅜	37⅜	3.00	Schenley	44	44
101¼	59⅝	2.00	Sears Roebuck	81	82½
17⅜	12½	0.70	Socony-Vacuum	16½	17⅛
32½	25	1.50	Southern California Edison	29¼	29⅞
47⅛	23½	—	Southern Pacific	43½	44⅞
18	14⅜	0.80	Standard Brands	15⅜	15⅜
9⅞	5½	—	Standard Gas & Electric	9	9⅛
70	51⅜	1.00	Standard Oil Co. of N. J.	68⅜	68⅞
78½	65	3.80	Sterling Products	72½	72⅞
44½	33	2.00	Texas Gulf Sulphur	39¼	40
18	11	0.40	Transamerica	17⅝	17
104⅜	71⅜	2.80	Union Carbide & Carbon	101⅞	101½
149⅜	108½	6.00	Union Pacific	127	127½
32⅜	20⅜	0.50	United Aircraft (New)	27¾	28
22	13	0.20	United Airline Trans.	21⅜	21
9¼	5⅜	0.20	United Corporation	6⅝	6⅞
19½	14¼	1.00	United Gas Improvement	14⅜	15
59	31¼	—	U. S. Indus. Alcohol	37⅜	37⅞
48⅞	16¾	—	U. S. Rubber	45	46¼
79⅜	46⅜	—	U. S. Steel	75⅜	77¼
30⅛	16⅛	—	Vanadium	28½	29¼
18	9¼	—	Warner Bros. Pictures	17⅛	17⅞
153½	94½	4.50	Westinghouse Electric	145	146

Call Money: 1 %

SWAN, CULBERTSON & FRITZ

SWAN, CULBERTSON & FRITZ

Investment Bankers

and Brokers in Securities and Commodities

Daily New York and London Stock Exchange Service

Sassoon House **Telephone 11200**

Chinese Railways

Nanking-Shanghai and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Nanking-Shanghai Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River," and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

中華郵政特准掛號認爲新聞紙類

Registered at the Chinese Post Office as a newspaper for transmission with special marks privileges in China